

THE FIRST BILLION

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The Stillmans and the National City Bank

BY

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"Morgan the Magnificent"

Etc.

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T O

**ADELE BAKER NORTON, ONE IN A MILLION, WITH DEEP
GRATITUDE FOR HER ABLE ASSISTANCE IN THE
PREPARATION AND WRITING OF THIS VOLUME.**

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THE FIRST BILLION

CHAPTER ONE

A MAN, HIS BANK, AND A FAMILY

WALL STREET IS FILLED WITH ANIMALS OTHER than bulls and bears.

There are wolves and weasels, mules and mice, jackals and jackasses.

The senior James Stillman might have been sired by a fox and damed by an owl. Somewhere, though, a lion crossed the genealogical trail.

What Stillman did—he built up and, in a sense, created the first Billion Dollar Bank in the Western Hemisphere—is a matter of financial history.

What Stillman *was* is a matter of much more moment.

In real life, there are figures far more fascinating than the characters of any imaginative novelist. Strange, twisted, distorted, James Stillman, in fiction, would be utterly unbelievable.

He was a mystic, and never discouraged those who asserted that he was psychic.

His sensorium, he firmly believed, was so delicately developed that he could read the minds of men. It was an awesome gift. Strong men left Stillman's presence shaken to the depths. Weaker ones actually blanched and fled as though from an evil spirit.

Silence, deep, devastating, inexorable as a force of nature, was his weapon.

A caller would enter Stillman's office, assured, perhaps a little enthusiastic. Without a word the dark, elegant little man at the big, clean desk would motion him to a chair upon which the light fell full. He would look at him, quite impassively, through veiled, impersonal eyes. The man would begin stating his case.

Minutes would pass. The caller would make assertions that seemed to require response. Not a sound from the grave, composed Buddha at the desk, whose eyes seemed to have penetrated through the other to some distant spot in the room. The visitor would fidget, cough, finally finish what he had come to say.

Invariably would follow a long, cruel pause.

Then, as if from far away, the president of the

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National City Bank would begin to speak. In low, impressive tones he would rip the proposal to shreds.

No matter how excellent the project, in very few words Stillman could place his finger upon its flaws.

That cold, cutting, analytical mind was a fearsome thing in action.

After one of these encounters men left Stillman's office usually enraged, sometimes physically ill, and often thoroughly hating Stillman.

On the other hand, there were, of course, men to whom Stillman bowed the knee. He would as soon have mounted a rocket bound for the moon as oppose the elder Morgan, though the latter's ear was always open to Stillman. And he worked in perfect amity with Harriman, William Rockefeller, H. H. Rogers, Henry Clay Frick and Jacob Schiff. Perhaps these fellows were just a little psychic themselves!

A diffident, timid boy, born of a harsh father, unprepossessing in physique and with no quickness of give-and-take in conversation, James

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Stillman, unaided, had to work out and apply the elements in him that made for greatness.

So well did the man cover his weaknesses that he actually converted them into assets, and grew to control a larger reservoir of capital than any other money-changer since the beginning of time. When Stillman, in 1891, quite by chance, took over direction of the National City Bank, its total resources of \$21,000,000 were exceeded by many banks in New York. When he died, in 1918, National City's resources were leaping toward the billion mark and it had become one of the world's dominant financial institutions.

At one time, in lusty young America's rush to economic supremacy, James Stillman, John Pierpont Morgan, Sr., and George F. Baker controlled almost all of the country's fluid, working capital.

In awe and admiration, Wall Street called them the Big Three.

In the heyday of the Big Three, the early nineteen hundreds, Tom Lawson, of "Frenzied Finance" fame, termed the National City Bank "Stillman's money-trap". Harsher epithets (not

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all deserved) have been applied since the post-war era of greed came to unlovely flowering in 1929.

His bank was no money-trap to Stillman. It was a holy of holies, a cathedral, a temple in which he worshiped with deeper feeling than he ever experienced in a church. The bank was his mistress, his God, his life. He once told a friend, very earnestly, that he would like his funeral services to be held in the magnificent and imposing building at William and Wall Streets, every detail of which he planned and which now houses the bank. "I'd like my coffin to be placed in the rotunda, with the mourners grouped about, and the Metropolitan Opera orchestra playing softly," he said.

With James Stillman the bank came even before his family.

At twenty-one he married a gay and charming girl, Sarah Elizabeth Rumrill, who, apparently, was a perfect complement for a rising young man.

When they had been married for twenty-three

years, Sarah Rumrill dropped out of her husband's life.

James Stillman permitted rumors to circulate that she was a drug addict, that she was mentally afflicted. None was true. For twenty-five years she roamed Europe, an exile. It was not until Stillman's death that she returned to her native land. At that time the writer had the privilege of meeting her. But her story must be dealt with later.

With his children, too, the bank was always first.

Stillman's three boys did not measure up to his exacting "yardstick". The yardstick was his habitual expression of appraisal. Charles Chauncey was dreamy, emotional, very much like his mother.

Ernest didn't give a whoop for finance. He wanted to chase microbes, and did it fairly successfully at the Rockefeller Institute as a pneumonia research specialist.

While his eldest son, James A., showed no particular aptitude, he was intensely interested in banking. He went willingly through the routine

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and there were moments when James Stillman dared to hope.

His daughter Isabel was the one product of his loins whom he wished a boy. She seemed to parallel his mental processes perfectly. But, unfortunately, she was of the *wrong* sex. For the mentality of women (their emotional quality he never considered) James Stillman had a deep contempt. "Never consult women, just tell them" was a favorite dictum. And so, while he admired Isabel inordinately, he left her only a million and turned elsewhere for a successor.

Practising his theory that "a man's friends are his business associates", Stillman married his daughters to the sons of William Rockefeller. Elsie Stillman became Mrs. William G. Rockefeller; Isabel, Mrs. Percy A. Rockefeller.

Stillman's children felt that they never knew him. And he had a sense of reproductive futility, though he never acknowledged his failure as a father. He blamed his children for his own deficiencies. That uncanny insight, so successful in Wall Street, did not succeed when applied to developing offspring.

James Stillman built about himself an almost impenetrable aura.

Cocoon-fashion, he wove layer upon layer of protective web. Few penetrated even the outer skein.

Frank A. Vanderlip was one. In Vanderlip, Stillman saw those qualities which were lacking in his sons, and set about preparing him for enormous responsibilities and opportunities. Vanderlip he chose as his successor. No child of his own was ever so close to James Stillman. Over a period of many years they exchanged intimate letters. Mr. Vanderlip has graciously permitted me access to this correspondence.

However, Stillman's only truly intimate friend was the late John W. Sterling, of the famous law firm of Shearman & Sterling.

John William Sterling was a man of fascinating and startling individualism. In legal matters he advised great corporations. In private life he was horribly timid of young women until they had become old. He lived in a huge house, barricaded by locks, bars, gates, his bedroom literally a steel cage. This was just around the corner on

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Fifth Avenue from the Stillman mansion at 9 East Seventy-second Street.

Almost nightly, Sterling and Stillman would foregather behind the bars. These two cronies would discuss not only the important events of the day but subtleties that would have astonished their downtown associates.

Stillman would have discovered, for instance, that men who wear their hair pompadour were tricky and vain. What were Sterling's views of the pompadoured man vs. the individual who parted his hair in the middle or on the side? And so on until the wee hours.

Towards the end of his life James Stillman became a lonely man. He yearned then for something he had never valued before, love. He returned to America after nine years' retirement in France and was again in residence in his great, gloomy East Seventy-second Street mansion. He was suffering from a fatal illness. His circulation was impaired so that the heart refused to pump sufficient blood into the veins and arteries. The result had been intermittent swelling of the limbs.

However, in the winter of 1917-1918, he still

ruled his establishment with an iron hand. The servants often heard him, as had always been his habit, slipping about at night, turning off needless lights, making certain doors were locked, testing the automatic heat regulators.

During his last days he often sent for his eldest son, James A., who, with his wife, Anne U. Stillman, were living with him. The younger James was seldom in. Most evenings found him in a nearby apartment with his mistress, already heavy with child.

As pain gripped him more intensely each day, James Stillman's psychic sense seemed to have deserted him. For scandal, which he abhorred, loomed at his very threshold.

Not only was he ignorant of his son's philanderings, but little did he suspect that his daughter-in-law, Anne Stillman, was soon to present him with a grandson whose paternity was to be questioned.

James Stillman did not live to witness the degradation of his name. Fate was kind.

As February faded into March, 1918, the mas-

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ter of the mansion grew weaker. His eldest son came to him in the huge, silent suite.

"Jamie," said the dying man, "never accept the presidency of the bank."

CHAPTER TWO

SONS OF THE PURITAN

THE CLAN STILLMAN WAS CRADLED IN THE rocky soil of New England.

Shortly after the middle of the seventeenth century a mysterious English gentleman of quality appeared at Hadley, a settlement in the Massachusetts Bay Colony.

The newcomer went his way with no apparent interest in his surroundings. Though he wore fine raiment and was plentifully supplied with other worldly possessions, his frigid and dignified aloofness baffled the community. The people of Hadley, unable to satisfy their curiosity, referred to him, so the legend goes, as The Still Man. Whatever his identity, the stranger became known as Mr. George Stillman. He founded an American family that for seven generations were merchants. The line was broken in the eighth generation by James Stillman, the banker.

However, this first Stillman—George—is not so mystifying when one examines the historical canvas of that period.

His departure from England coincides with the death of Oliver Cromwell and the flight of the latter's supporters who refused to be ruled by Charles II. With Cromwell, republicanism died in England. Indeed, no small number of lords and merchants, as well as humbler folk, scorned obeisance to the weak and profligate Charles II and fled to far places. America was a favorite haven.

George Stillman, evidently, had been no mere commoner in Cromwell's ranks. Culture, apparent in his manner, an independent income, together with the rumor that his wife, recently deceased, had been Lady Jane Pickering, a peeress, tended to substantiate this.

However, what may or may not have been his past, "Mister" George Stillman settled in Hadley, Massachusetts, eventually established himself as a merchant and re-married. His second wife was Rebecca Smith, daughter of one Philip

Smith, a leading colonist. A first son, Nathaniel, was born.

Soon after, an occurrence, not uncommon at that time, disrupted their family. Philip Smith, his wife's father, took to his bed with convulsions, declaring himself bewitched. He moaned and shrieked that a wicked old woman was sticking pins into him.

Night after night friends and members of the family gathered at his bedside and, with prayers, attempted to exorcise the evil spirit, and persuade it to go its way. One of the company claimed, actually, to have found a pin. But the wicked witch remained truant and Philip Smith died. His daughter and her husband inherited his property.

The Stillmans decided not to remain in Hadley, where there were other excitements besides witchcraft. Not only were the nights lengthened by the wailing of wild animals, but they were ever in fear of the frequent raids by Indians.

So in 1708, George Stillman and his family moved farther down the Quonektacat River to Wethersfield, "Quonektacat" being the Indian

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term meaning long river, which the settlers in turn called "Connecticut". Wethersfield provided ready access to the sea and the rich West Indies trade, which was a growing factor in early New England prosperity.

George Stillman entered into this trade, and for seven generations the family continued as merchants in Wethersfield. They were prominent and "good" citizens. They owned ships, and shares in ships. They were respectable and respected. Half a dozen men of the name fought in the Revolutionary War. In religion they subscribed for the most part to the independent tenets of the Congregationalist Church.

Some of the clan went to sea and pursued their calling in far ports. More than one was called "Captain", and such titles were earned in those days. These merchant-sailors roamed the Spanish Main and were well known in the ports of the Caribbean Sea—the West Indies and even the northern coast of South America. They imported rum and molasses, sugar-cane and coral, even coffee and spice.

No matter where they went, they always re-

turned to Wethersfield. Travel sharpened their bartering instincts but inspired them with no impulse to seek romance or adventure. They became keen, shrewd traders, Yankee to the marrow.

Ascending the staircase of the centuries we reach the nineteenth to find a youth of eighteen, with lantern jaw, sharp features and cold, blue eyes. This was Charles Stillman, oldest son of Philip Stillman, merchant and ship owner, seventh son in direct descent from Mr. George Stillman, of Hadley and Wethersfield.

Charles was not only a chip of the old block, but he was the old block itself, stiffened, hardened, matured. He was not at all abashed when his father told him:

"I have taken a share in a cargo of hardware and notions bound for Matamoros, Mexico. It is our first venture at trade with the Mexicans. You are to go as super-cargo. I trust you, my son, to see that we do not suffer loss."

And so, in 1828, Charles Stillman came to the Mexican port of Matamoros, on the Rio Grande. The Connecticut schooner sailed in and

dropped anchor. But there was no welcome. The Mexicans had seen enough of the Gringos thoroughly to detest and desire no commerce with them. This chilly reception did not add to the Captain's comfort. He allowed the climate was not good for health and suggested the anchor be hoisted at once. To his vast surprise, young Charles Stillman obligingly consented to his departure and assumed sole responsibility for selling the goods.

The ship unloaded its cargo and sailed away. Thus a Stillman of Wethersfield came to the Rio Grande.

Always there is something impressive about a fearless man.

Charles Stillman took a shack near the dock in Matamoros and waited for customers. They came. He sold the goods at a neat profit. Furthermore, he became convinced that there were money-making possibilities in that section. Accordingly, he settled his accounts, carefully extracting his commission, and decided to remain in Mexico.

It was a bold choice.

Across the river was the vast Mexican territory of Texas into which were pouring American colonists and adventurers. The whole border country was in a state of anarchy. Soon organized revolt was flamed forth against Mexico.

However, the transplanted Yankee youngster discovered that a good way to avoid trouble is to ignore it. Matamoros was a thriving town and Charles Stillman opened a small general store. Slowly, steadily, he prospered. He stuck to his counter while great events thundered and rumbled about him: the Alamo massacre on March 6, 1836, when Colonel Travis and one hundred and fifty of his men, including Davey Crockett and Colonel Bowie, met death magnificently; the battle of San Jacinto, a few weeks later, when Sam Houston and his Texans made the Mexicans "Remember the Alamo!"; the founding of the Republic of Texas and finally its annexation by the United States.

Charles Stillman seems to have had a genius for keeping out of trouble.

During the hectic period when Texas was struggling for independence and great forces

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were pulling the strings behind the curtain, the young man from Connecticut kept his counsel and went his way. No one ever knew where he stood politically. He never offended a customer.

Gradually the small store grew larger and he began to export Mexican products. He branched out into land speculation across the river. When Charles Stillman's eye was first cast in that direction the physical outfit consisted mainly of chapparal, rattlesnakes, sagebrush and Mexican ranchmen.

Directly opposite Matamoros was a tract of several thousand acres which had been granted to one de la Garza, in about 1750, by the King of Spain. Garza's grand-daughter, Mrs. Maria Josefa Cavazos, who had inherited the grant, placed it under protection of the Mexican Government. Under government authority, she then extended to a number of ranchmen permanent leases, to hold good as long as rents were paid.

This was a common practice in those turbulent times.

When Texas wrested her freedom from Mexico, Mexican ranchers all over the territory were

uncertain both of their personal safety and of the validity of their rights. It was not difficult to persuade them to accept small sums for their properties and claims.

The accepted procedure in such circumstances was to form an investment company which bought up land certificates. Charles Stillman followed this method and acquired the Cavazos tract. Mrs. Cavazos brought suit against him. After a long fight she won. Stillman then bargained with her for several years and eventually she cleared his deeds.

By the close of the Mexican War, 1848, the ambitious trader from Connecticut owned all of the Cavazos grant, now known as Brownsville, Texas. During this war United States troops had occupied a reservation on his land. More than forty years later his son, James Stillman, won a \$160,000 settlement from the United States Government for this occupancy.

Charles Stillman's money-sense continued to manifest itself. He laid out the town site of Brownsville on part of the land he now owned across the Rio, and established a ferry line con-

necting it with Matamoros. With an equipment of six row-boats, two twenty-foot wooden landings and two wooden barges operated by hand power on a rope cable, the ferry came to handle a large freight and passenger business. Matamoros proved a natural gateway into rapidly developing Texas. Receipts eventually grew to as much as \$50,000 a year.

Stillman, now a successful man with many irons in the fire, returned to his birthplace for a visit.

"There's nothing down there," he would remark to his home folk, "but the Rio Grande. There's nothing across the Rio Grande but Matamoros. There is nothing in Matamoros but the gateway to all Mexico for cotton, hides and gold."

The tanned trader, now close upon forty, had another reason for returning to Connecticut: marriage. The girl of his choice was Elizabeth Pamela Goodrich, who was scarcely half his age. They were married in the spring of 1849.

Elizabeth Goodrich—everyone called her Betsy—was a brunette with coils of dark hair,

snappy, sparkling eyes and determined little chin. Her ancestors, like the Stillmans, were merchants and sea-faring folk of New England.

Betsy went back to the town her husband was creating and made her home in the house he had built. This was a plain, frame, one-story dwelling upon which the summer sun beat with ferocity. The setting was strange and not at all pleasant. Despite the small garrison always maintained at nearby Fort Brown, there were frequent guerrilla clashes between the Mexicans, whites and half-breeds. Charles Stillman had become inured to all this but, for the young wife, the tension was always there. The climate, too, was debilitating. The thermometer on the porch of the low, frame house quite often registered 112 or 115 degrees in the shade.

In this house, on June 9, 1850, was born a boy whom the Stillmans named James. He had his father's firm jaw, large nose and ears, and his mother's eyes and coloring.

Charles Stillman was buying cotton lands, adding to them constantly and placing them for cultivation under carefully selected tenant farm-

ers. His wealth mounted. So did the discontent of his young wife. It was not pleasant to hear brawls and shots almost at one's door and to have one's husband called out in the middle of the night to direct posses in pursuit of cattle rustlers.

There was a greater menace.

Like the muted roll of jungle drums, one could sense the sombre oncoming of the Civil War. Most of the polyglot population of Texas, including the majority of the influential settlers, were in favor of slavery. Charles Stillman, decidedly, was not, but found it politic to lock his lips when bitter disputes began to divide friends and families.

The arrival of a second child determined him, in 1855, to move his family to New York. One may imagine with what alacrity Betsy Stillman prepared for the long, welcome journey.

Stillman settled his small brood in a house on Thirty-second Street and returned to Brownsville. For the next ten years the family saw him only at intervals. Those were years of terrific struggle for him. His frame grew gaunt, his eyes

sunk into his head and he seemed fiercer and more eagle-like than ever.

The Brownsville trader may have been a rampant abolitionist but he did not permit his sympathies to sway his acquisitive instincts.

With the outbreak of the Civil War, Stillman and an associate, Thomas Carson, established a trading port in a settlement on the Mexican coast called, appropriately enough, Bagdad. Here merchandise from abroad was shipped into the Confederacy and vast stores of cotton assembled for transport to England through the blockade. Some of the cotton was hauled overland from remote parts of the South to Brownsville, ferried over the Rio Grande to Matamoros and handled by ox teams to the port of Bagdad. The fact that he was giving aid and comfort to the South, against which many of his Connecticut relatives were bearing arms, did not deter Stillman. The Bagdad foray added appreciably to his fortune, but wrecked his health. At the close of the war, while with his family in New York, he suffered a stroke which left him partially paralyzed for the remainder of his life.

The family gradually increased and it was necessary to move into a larger house in East Fortieth Street, while summers found them in a boarding house in Cornwall in the rolling Hudson River country near West Point. There were now five children: James, Isabel, Clara, Charles and Bessie.

James, the oldest, had developed into a stocky little fellow, strong-willed and imperious in manner. He said little but knew how to get his way. Only his mother, whom he adored, could manage him. His father he rather feared.

One day Charles Stillman drove home from a visit to the financial section. He had been transacting some business with his bankers. He had a surprise present for James.

The child's eyes glowed with delight as he beheld a little Japanned tin bank. No toy had ever so pleased him. Into it he religiously deposited his pennies.

The little tin bank, from which James Stillman never parted, had on it, in large, gilt letters: "CITY BANK".

CHAPTER THREE

AS BANKERS WERE

JAMES STILLMAN'S BOYHOOD WAS DIVERTED from normal channels by the early and heavy thrust of responsibility.

At sixteen, in all save title, he became head of his family.

During the long absences of her husband, Elizabeth Stillman was forced to lean more and more upon her eldest son. Between them grew an extraordinary bond.

Indeed, his mother, one may well believe, was the only woman James Stillman ever completely loved or trusted.

Speaking of her he once remarked: "My mother never asked the price of anything nor did she ever make an extravagant purchase."

It was his highest tribute to her sex.

Charles Stillman's stroke of paralysis and its after effects piled greater burdens upon his son.

Though he would seem to have been born mature, these early exactions developed James Stillman still further beyond his years. He spoke little, yet his mind was quick and nimble, with an astonishing grasp of detail. He would recall objects in a room or on a table with photographic accuracy. He also had a remarkable color sense.

In Cornwall one summer he fell through a hole in the barn and broke his leg. While recuperating he designed and fashioned elaborate wardrobes for his sisters' dolls, such creations as had never before decked the dolls. Each dress and hat of his mother or sisters underwent his critical scrutiny. A passion for clothing the feminine form beautifully and appropriately lasted through life.

In his Paris mansion, half a century later, we shall find him rapt and silent before a platform where picked mannequins are displaying the newest creations of the French couturiers.

However much the mother may have appreciated such traits, the father found them soft and unmanly. To give the boy stiffening and discipline he directed that James be packed off

to the Churchill School, a military academy at Ossining, N. Y. Jim's schooling until then had been rather hit-or-miss.

Here young Stillman wore a uniform, endured daily drills and dutifully accepted grounding in a little Latin and much mathematics. Without effort he was always at or near the head of his class. He scorned athletics and left little or no impression upon his mates. These bubbling young animals probably seemed rather inane to a lad of fourteen who bossed his sisters and kept his mother's accounts.

A nebulous desire to become a surgeon was brushed into the background because of his father's partial breakdown and the general post-war uncertainty. Charles Stillman decided it was high time his son obtained practical business training. He talked the matter over with William Woodward, a young cotton merchant, with whom he did business.

William Woodward, at thirty-one, was rapidly making a name for himself. Born in Maryland, he had traded in New Orleans before the war and then had come north. Jovial, hearty, social

in his instincts, he was also a keen judge of people, a splendid salesman and a hustler. He leapt at the opportunity of cementing his relations with the wealthy and influential Charles Stillman by placing young James under his tutelage.

So, in 1866, under most favorable auspices, James Stillman, barely sixteen, entered the office of Smith, Dunning & Woodward, dealers in cotton and hides, at 65 South Street.

Around the corner was Wall Street—a street of chance filled with glittering opportunities, and deadly pitfalls.

Wall Street in the late sixties was the same narrow, crooked little thoroughfare it is today. Because the buildings were low it did not, however, appear so canyon-like and dismal. Here and there it was dotted with old homes turned into offices, and most business men climbed stairs. The character and nature of its commerce were sharply divided.

East of William Street were the headquarters of the great merchants in raw materials: metals, wool, cotton, sugar, hides, coffee, spices, tea. To the west was the Stock Exchange, brokerage and

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banking houses—the Kingdom of Cash, cold, cruel, predatory.

It was a Wall Street entering one of the most fascinating phases in its history. The Civil War was over and the country's energy was already beginning to pour itself into the task of rehabilitation and the development of the West. This, the nation's money centre, was a hive of activity.

The Street swarmed with promoters, inventors, speculators, stock-jobbers, confidence men in every guise. This gawdy and tawdry crew rubbed elbows with noted and notorious figures of the day. Most glamorous was Commodore Cornelius Vanderbilt, the country's richest citizen. With his white locks and leonine head, the old Commodore was handsome as a god, yet vain, superstitious, uncouth. It was a delight to hear him swear as he bossed the men on his railroad, the New York Central, just as he had the deck-hands of his first ferryboat.

There was A. A. Low, father of Seth Low, whose packet ships carried million-dollar cargoes to China and the Far East. There was Moses Taylor, another great merchant-prince, whose vault

at the City Bank, of which he was president, was always crammed with money. There was Russell Sage, who had abandoned his grocery business up-state to show the city slickers some new stunts in financial trickery. And there were those picaresque and incomparable scoundrels, Jay Gould, Daniel Drew and Jim Fisk.

Young Stillman moved about the world in which he now found himself observing, analyzing, assimilating, studying men as well as methods. Always in the crowd, never of it, he walked serenely amid the rah-rah boys and the rustlers, instinctively attaching himself to what, for want of a better term, we may designate the Substantial Elements in America's new-rising empire of business.

In that period of vast potentialities there were other young men of surpassing ability preparing themselves for leading roles in the future Wall Street drama. A bow-legged, stocky little fellow, Ned Harriman, two years Stillman's senior, had recently been promoted from the job of "pad-shover" to a clerkship in the brokerage office of Dewitt C. Hays. In another establishment, on

the same humble rung, was youthful Tommy Ryan who had not yet embellished his simple cognomen with the glittering middle name: Fortune. From a couple of rooms in Exchange Place John Pierpont Morgan, rounding thirty, had created slight ripples of interest by one or two minor financial forays.

James Stillman cut his eye-teeth quicker even than Harriman, Ryan or Morgan.

At eighteen, he was made cashier of Smith, Dunning & Woodward.

At twenty-one, through power of attorney, he assumed complete authority over his father's varied interests. Rapidly and with vast relief, the ill and broken Charles Stillman had revised his former opinion of the youth's soft manner and meticulous attire.

The year following, Smith, Dunning & Woodward was dissolved and reorganized as Woodward & Stillman. James Stillman had gone fast and far in six years. Indeed, he had scarcely found his feet in the cotton trade when he branched forth in outside investments of his own.

In childhood, as we have seen, the City Bank, where his father deposited, became a symbol to young Stillman. When the boy entered business his path led often to the imposing old remodeled residence at 52 Wall Street, which housed the City Bank. Here Moses Taylor was undisputed monarch.

James Stillman's cool detachment must have fallen from him just a little when he first stepped within the City Bank and met its president.

When the youth first beheld him, Moses Taylor was a crochety, emphatic old gentleman, with thin lips, snowy side-whiskers extending from ear to chin, and wrinkled old eyes that seemed to hold the wisdom of the ages. His habits were as set as the progress of the sun. Each morning he walked to his office, arriving promptly at nine. He sat on a platform within the bank, surveying his kingdom. He made stockholders come in person to collect their dividends—"makes 'em take an interest in their money," he used to say. Playing the game to the hilt, Taylor yet maintained a personal and professional code rigid as the law of the Medes and the Persians.

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This was the man who shaped and guided James Stillman's early career.

Soon the lad got into the habit of dropping around to the bank almost daily. Moses Taylor frequently beckoned him to the platform. To young Stillman it was a summons from Jupiter.

Rapidly developed a personal relationship, strong and warm as humanly possible between two individuals whose natures were fundamentally cold and whose chief pursuit was power and gold. With a subtle form of flattery, which was even more subtle because silent, the youth drew deeply from the eccentric old merchant-banker's well of knowledge. The latter soon began putting profitable opportunities in the way of his admirer.

Forty years later, during the panic of 1907, Stillman told the story to the late Levi P. Morton, former governor of New York, and a group of City Bank officials. One of the group, recognizing the rarity of Stillman's moods of reminiscence, preserved a memorandum of the conversation:

Mr. Stillman told us that when, as a boy in the office in South Street, he had been accustomed to go to the City Bank, then under the management of the late Moses Taylor, that Mr. Taylor had seemed to take a fancy to him, and as he brought out various bond issues, would allow the young man to take from five to ten or twenty of the bonds. Mr. Stillman's father allowed him the money with which to purchase them. He still held these bonds at the present time, for the most part, and it was rather interesting to notice what had happened to the properties they represented.

Mr. Stillman's investments had been largely in the bonds of the great railroads while his partner, William Woodward, preferred investments of an industrial nature, principally in cotton mills.

When they separated, in 1890, as a matter of curiosity, they compared investments to see what, in a long period of years, had been the result. Mr. Stillman found that of twenty such investments, two of them had gone out of sight completely; five of them had suffered impairment and a temporary suspension of dividends; while the remaining thirteen had gone on increasing, rather than reducing dividends. Of Mr.

Woodward's industrial investments to that number, six of them had not only gone out of sight, but had carried with them an investment equal to the par of the stock, while of the remainder nearly all had suffered a very serious depreciation.

Moses Taylor's father had been a confidential agent of the first John Jacob Astor.

The son's training school had been the huge shipping and commission house of G. G. & S. S. Howland, whose vessels carried American raw materials around the earth. Full-bellied schooners, laden with cargoes worth hundreds of thousands of dollars, every few days left the Howland docks at the foot of Wall Street.

Moses Taylor made a notable record with the Howlands. In 1832 the firm offered him a partnership with a twenty-five per cent participation in the profits. He declined and set up his own establishment next door, specializing in the importation of Cuban sugar. Here he learned the value of having ready cash. He would sell the sugar in the American market, collect cash and

use the money until called for by the growers, meanwhile allowing the latter a small rate of interest. Then, when money became tight in New York, Taylor would loan large sums on commercial paper at two or three per cent a month. As a commentator of the times naïvely points out, it was "a most excellent and easy way of making money".

Moses Taylor thus became a highly successful merchant-banker. In the panic of 1837, when more than half of the business firms in New York failed, he doubled his wealth. Eventually his fortune mounted to the then stupendous sum of \$50,000,000.

Moses Taylor early became interested in the City Bank of New York.

This fine and solid institution was incorporated by a group of New York merchants June 16, 1812, to provide facilities woefully lacking since the demise, the previous year, of the first Bank of the United States, established by Alexander Hamilton in 1791.

The City Bank of New York took over the quarters of the Bank of the United States in the

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converted private dwelling at 52 Wall Street. Here it was to remain for ninety-six years. The bank was organized by merchants for the primary purpose of financing purely mercantile transactions. From its inception, however, it participated prominently in government loan subscriptions and obtained government deposits.

Among the directors, who met for the first time on June 19, 1812, a week to the day after the declaration of war against England, were family names that still mean something in New York: Cutting, Osgood, Wright, Irving, Prall, Tooker, Bloodgood, Norton. The Irving was Washington Irving's brother, William, a graceful amateur writer and publisher of a literary magazine called *Salmagundi*. The Osgood was Samuel, whose stepdaughter married De Witt Clinton and who once lived in George Washington's house on Franklin Square. Samuel Osgood presided over the first meeting of the directors and became the bank's first president.

"All these directors," we are told by the bank's historian, "were leading citizens with a background of substantial achievement. They were

sturdy Americans, courageous, independent, yet in bearing and methods still holding to the dignity and conservatism of the old world system. Their Wall Street was not a canyon flanked by great banking institutions. It was a leisurely thoroughfare, where the affluent merchants and importers of raw materials and coffee, tea, sugar and spices held forth, where carriages passed up and down with considerable elegance and much noise, as steel hoops struck relentless cobblestones, where ladies in large floppy hats, flowing dresses belted just under the armpits and little shoes tied with ribbons to their white cotton-clad ankles promenaded of an afternoon, or turned into William Street to look over samples of the latest Parisian styles as decreed by the court of Napoleon. Nor were these directors who met on June 19 themselves entirely oblivious to the styles of Europe, for they wore tall hats and high stocks, with perhaps a bit of lace running down the front into their closely-buttoned coats of deep blue, dark green or black. Their trousers of a lighter shade were tight-fitting with a loop passing under the shoes to keep them taut."

Despite the looped trousers and the lace-trimmed stocks, the bank was run along sound lines and waxed strong.

Almost from the first the City Bank moved a considerable part of the largest and most valuable American crop going abroad: cotton. It was favored by Southern planters, one of whom was Charles Stillman, and became also fiscal agent of many sugar growers, and of such great metal houses as Phelps, Dodge & Company.

In 1856, Moses Taylor followed a long line of distinguished merchants into the presidency of the City Bank.

Taylor had become the chief figure in the raw sugar trade. He also had very definite ideas on banking. Always he placed more emphasis upon strength than upon size. During the twenty-six years of his reign he insisted upon a calamity-proof cash reserve. That was his pride.

In the panic of 1857, the City Bank profited through the failure of several competitors. Taylor himself went into the market that year and bought up the Delaware, Lackawanna & Western Railroad at \$5 a share. In 1864, that stock

was worth \$240 a share. He bought into Southern railroads, purchased control of the oldest trust company in New York, the Farmers' Loan & Trust, and made it trustee for the mortgages on his railroads. He gobbled up the largest gas company in the city and induced Commodore Vanderbilt and other men of prominence to open accounts in the City Bank.

Taylor and the City Bank helped finance the Civil War, charging the then modest interest rate of 7.30 per cent on moneys advanced to the treasury. During the war the bank maintained a cash reserve of about sixty per cent, an unprecedented showing during those stormy days.

Under the Act of June, 1864, the City Bank became a national bank and continued its steady march forward.

Moses Taylor was at the height of his prestige when the youthful Stillman became his protégé. In the latter, all the trading instincts of his long line of merchant ancestors seemed to fuse into perfect flowering. Examination of the decade following the boy's entrance into business reveals

the sure, progressive growth of a round peg in a round hole.

With quiet, capable certainty of touch, his every move tended to further his career. With his partner, Woodward, he bought a small yacht and modestly entertained friends and business associates. In 1870 he made a European trip, alone.

Then, in 1871, he married.

His bride was Sarah Elizabeth Rumrill, a spirited girl with blue eyes and lustrous coils of brown hair. The Rumrills, originating in upper New York State, became neighbors of the Stillmans in New York City. The father, Alexander Rumrill, was a jewelry merchant. His store at Broadway and Chambers Street later became Marcus & Company and moved several miles north to Fifth Avenue. Sarah Rumrill was not beautiful, but her nature was warm and sensitive. She was a fine pianist and loved the gay play of wit. Adoring the nonsense rhymes of Edward Lear, she was equally responsive to fine prose writing.

Marriage to her, as to almost every girl, was

the culmination of romantic dreams. Young Stillman, one is forced to conclude, looked at it from an entirely different point of view.

The young couple moved into a house on Murray Hill and took their proper place in the life of a city that was fast becoming the commercial as well as the social centre of the country. In 1873, on August 18th, was born the first of their five children, a boy whom they named James Alexander, combining the given names of his father and maternal grandfather.

That year, also, came a disastrous panic, induced, as are most panics, by over-exuberance, speculation, a desire to spin too fast the wheels of industry.

Even Moses Taylor guessed wrong that year. Railroad mileage had doubled since the close of the Civil War. Immigration was pouring into the country. Demand for goods seemed far to outrun supply. Mr. Taylor and several of his friends took a trip through the West—the “West” at that time meaning Michigan, parts of Ohio and what now are practically the middle states. Members of the party were so impressed with the

wonderful resources of the country, its marvelous development and teeming prosperity that they wrote home to "buy, buy, buy". They, and many of their friends, bought.

Within a few months the country was in the grip of one of the most serious financial collapses it had ever experienced.

In that panic of '73, strange to record, young James Stillman did not follow the advice of his mentor, Moses Taylor.

James Stillman made just one purchase: a single share of stock in the National City Bank of New York.

CHAPTER FOUR

THE RISE OF A CAPITALIST

IN EVERY LIFE THERE COMES A TIME WHEN A man stands at the cross-roads and chooses the path upon which he is to walk for the remainder of his days.

For James Stillman this formative period fell in the late seventies and the early eighties.

Anna Robeson Burr, in her flattering, frequently awe-stricken *Portrait of a Banker*, writes of the years following the panic of 1873: "Young Stillman, like every hundred per cent American, felt respect for anybody who made money." Mrs. Burr could have gone further.

Money, its acquisition, conservation, growth, early became James Stillman's consuming passion. The only persons about him who seemed successful and worthy of emulation were money-makers. And so the star that shone most brightly in his sky was the dollar mark. He began follow-

ing his star, and not for forty years did he realize that his life had been guided by a false beacon. Then, his body racked with pain, he excused himself with a cry, as of penance:

“ ’Twasn’t the money we were after, ’twas the power. We were all playing for power. It was a great game.”

The young man’s money appetite could have been thoroughly satisfied, one would surmise, from his share, forty-five per cent, of the profits of Woodward & Stillman. Before thirty his income, from this source alone, exceeded \$50,000 a year. The reopened mills of New England were crying for cotton and Woodward & Stillman did their part in meeting the demand.

But the junior partner was far from content in his placid role of cotton merchant.

In 1875 Charles Stillman died, leaving a fortune considerably upward of a million, and young Stillman had sole say in its investment. It was at once an opportunity and a responsibility for a young man of twenty-five.

In his careful, methodical way, James Stillman made a study of the entire investment field

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and bought bonds, never stock, in a dozen railroads. He invested not a penny until he had made a thorough survey and canvassed the road's managing personnel, future prospects and a dozen and one elements affecting earnings. Infallible was his instinct of safety.

These investments brought him into intimate contact with men who were remaking the money map of America. He became a familiar figure in the offices of prominent railroad men and their bankers—a welcomed figure, also, for he had money to put into properties.

In this period of expansion Stillman learned to capitalize his weaknesses. He had no gift of ready expression and, probably to his surprise, discovered that merely by sitting silent he could gain a reputation for depth and subtlety. Then it was that he donned the mask he was to wear throughout life.

Other men have found this mask of silence tremendously effective, though I have come across none other who employed it so successfully as James Stillman. In his case, however, it is well to remark here and now, inarticulateness was

backed by a sound and subtle, as well as crafty, intelligence.

Men "opened up" to Stillman, even though there was no response. Thus he became a repository of business secrets and gradually there grew in him a realization that, for him, the way to wealth and power lay in silence and an implacable exterior.

The Game so entranced James Stillman that he played it at home as well as downtown.

By now, the late seventies, babies were tumbling over each other in the Stillman household. After the birth of her first son, "Jamie", Sarah Elizabeth Rumrill, at regular intervals of some eighteen months, presented her husband with four other children: Elsie, Isabel, Charles Chauncey and Ernest.

Twice, when she went into the shadow, it seemed that Sarah Stillman would die. It was necessary to administer morphine to deaden the pain. This was done, of course, upon the advice of the family physician and with the consent of the husband. Each time, though, she rallied and soon was her gay, rippling self. The young

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mother gloried in her babies. They made her forget the increasing strain of life with her austere husband.

As his activities downtown broadened, they gripped him inexorably and James Stillman withdrew more and more within his shell. Day after day, when she heard his step upon the threshold, Sarah Rumrill would rush to the door with the latest bit of absurdity one of the babies had perpetrated.

She would be met with a cold, unresponsive stare from her husband who, without change of expression, would hand his hat and stick to the butler, stroll into the library and slowly sip the single whiskey and soda he then permitted himself.

The young bride, meanwhile, would choke back the tears until she reached her room where she would throw herself upon the bed and give way to a spasm of weeping.

An hour later, bathed and freshly shaved (he sometimes shaved three times a day) James Stillman would courteously escort his wife to her place at the dinner table and silently nibble his

way (he never ate heartily) through half a dozen courses. If the meal pleased, he would send word to the cook through the serving man. If any dish did not please, he would wait until a substitute had been provided. In later life, when megalomania had obtained complete possession, he used to insist upon printed menus, even when dining alone. He would rate each item by percentage and leave the chef in a cold sweat until the latter learned that the sole or soufflé, say, ranked a rating of seventy-five per cent or better.

By now, the Stillmans presided over homes in both city and country.

The city residence was a brownstone mansion at 7 East Fortieth Street. The country home was The Ridge, a low, rambling, comfortable house at Cornwall-on-Hudson.

At The Ridge, where almost half the year was passed, Sarah Rumrill was happiest. Here she was alone with her babies and her garden. James Stillman commuted from Cornwall on his fine new yacht, the *Wanderer*. His departure was a ceremony.

The family and the household staff were lined

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up at eight each morning in the main hall, first Mrs. Stillman, then the children by age and the servants by station. Unsmiling, Stillman marched by this formation with the merest nod, climbed into his carriage and, with no further comment, was driven to the boat landing. Unfortunately, there was no onlooker to burst into laughter. Even Mrs. Stillman's sense of humor forsook her where her husband was concerned and the children, too, took their father at his own appraisal.

Often, after these departures, Sarah Rumrill, feeling momentary freedom, would fly to the home of a neighbor, gasping: "Oh, don't say a word, not yet!" She would rush to the piano and play madly, gradually regaining her composure, or she would disappear into the woods with the latest volume of essays by Lafcadio Hearn, her favorite prose writer.

From several sources have come intimate pictures of life in that strained, rapidly saddening household. One of the most revealing was etched by Charles Addison, a gray-haired, intelligent old Negro servitor with whom I talked during the exciting period of the younger James A. Still-

man's divorce action against his wife, Anne U. Stillman. Old Charles had written a touching letter of encouragement to Mrs. Stillman.

"It was in 1875," he told me, "that I went to work for Mr. James Stillman. He had just bought a fine boat, the *Wanderer*, from Mr. Louis Lorillard and he made me second steward.

"When we wasn't cruisin' I worked around the house in New York and up to Cornwall. Mr. Stillman was in the cotton business and he was quality. But he didn't say much and he made you feel you better do your work and keep out of his way. Missus Stillman was quality too, but just the opposite of him: slim and nice and sort of tender to everybody. And everybody just naturally loved her.

"Her father was Mr. Alexander Rumrill. He was a short, stout man and jolly. She had a brother, Alexander Jr., who was deaf, I think. Her sister was married to Mr. Clark Burton, of Newburgh.

"I said everybody loved Missus Stillman. They all did, but sometimes I sort of wondered if Mr. Stillman did. I know she loved him—she most

worshipped him. But he acted sort of peculiar to her sometimes. Whenever he wanted to he'd go out on bachelor parties. That first winter he took me on a trip down to Philadelphia to take care of him. There was a lot of other gentlemen along and we put up at the old La Pierre House. Then the gentlemen took in the sights and had a mighty gay time.

"Mr. Stillman knew a lot of rich people and used to visit with them. I used to go with him to tend to him and his clothes. One summer we went to one of Mr. Jay Gould's cottages down at Monmouth Beach. Commodore Cornelius Vanderbilt, father of the Gen'ral, lived right next—so you can see we was mingling with quality.

"In the summer we used to cruise about a lot on the boat. Man, that was some boat. Sometimes Missus Stillman and the chil'ren would come with us, sometimes Mr. Stillman would have a party of other friends, gentlemen and ladies. Missus Stillman was a real home body but she would come on the boat trips as often as she could.

"One time, early in the fall in 1876, she was with us up at Mount Desert, near Bar Harbor, and a young lady, unexpected, come aboard and joined the party. She was dark and short and maybe a little stout and her folks lived on Forty-second Street, between Fifth and Sixth Avenues and had a big country place at Summit, New Jersey. I had seen her before. She was very lively and she started making up to Mr. Stillman and he seemed to like her too.

"Well, Missus Stillman got her spunk up and told Mr. Stillman what she thought of him. It was mighty hard on her because he didn't pay any attention to her. He just ordered her to be quiet and she went away to her cabin and I guess had a good cry. The young lady stayed on the boat and Missus Stillman stayed and we had a mighty uncomfortable sort of trip to New York.

"That was the first I knowed for sure Mr. Stillman and Missus Stillman wasn't on such good terms. Later I heard and saw lots of things and I wondered why Missus Stillman hadn't jacked him up before she did. Well, things went along like that for a good while. Mr. Stillman

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went right ahead and did 'bout what he pleased. Missus Stillman prayed a lot.

"In those days there was a nurse for the children, a pretty kind of girl, Miss ——. She's dead now. Well, Mr. Stillman was mighty fond of her. He promoted her and give her a mighty fine job. I didn't stay with the family quite till 1894, when Missus Stillman left for good and all, but I often wondered if this girl didn't have something to do with Missus Stillman leavin'.

"The reason I left was that after Mr. Stillman got so much money he began to buy up all the land around Cornwall and breed cattle. I didn't care much about cows and took a chance that was given me to take care of some horses in Norwalk, Connecticut. While I was with him, I heard Mr. Stillman trying to get Missus Stillman to go off to Europe an' leave her chil'ren an' everything. Later I heard he made believe he could lock her up in some insanity house and claimed she had got drug habits.

"Well, I never saw anything like that going on. Missus Stillman used to get awful nervous over things in the house but she was no more

crazy than you or me. And she couldn't get no drugs unless he got 'em for her and I don't believe none of it. She was mighty fine stock and, if you ask me, just had hard luck lovin' a man that didn't love her."

There came a day, during the period of which we write, when the Stillman barouche, shining and polished, drew up at the door of a brownstone residence in New York and the Stillman housekeeper asked permission to speak with the lady of the house. The latter, member of a pioneer Knickerbocker family, frequently met the Stillmans socially and had grown very fond of Mrs. Stillman.

Much to the matron's amazement, as she recalls the story today to the writer, the housekeeper said: "Mr. Stillman has heard that you are going to Europe. He would be very pleased if you would invite Mrs. Stillman to go with you."

The next moments were violently uncomfortable for the housekeeper. The lady to whom this proposal was broached in this astonishing manner recounts grimly: "I kept my temper as well as I could and told the woman to return to her

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master and inform him that I was not accustomed to receive such messages through servants. I also permitted her to leave through the servants' entrance."

While this appalling situation was developing in his home life, James Stillman buried himself in business and in the breeding of cattle. He bought herds of Holsteins and Guernseys and busied himself with their fine points. Something about the repose, the quiet self-mastery of cows subdued the demon in his own breast. He passed hours photographing his placid animals.

Meanwhile, his progress in business was slow but as sure and certain as that of a coral insect.

In Wall Street there is a curious tribal instinct. Young men of outstanding ability as money-makers and money-handlers are marked out for advancement by the older leaders just as the Head Men of African and Indian tribes mark the progress of their young bucks in a more virile, more courageous environment.

Stillman won his spurs very, very early.

When he began investing his family's funds and his own money in railroads, he instinctively

eliminated quicksand enterprises. Those years of tutelage under Moses Taylor were valuable. Stillman had no ingrown antipathy to wildcatters and crooks but he knew the safest place in all storms is the groundfloor and the cellar, particularly a well-stocked one. All his life he either got in on one or took refuge in the other.

The young man fussed over two or three railroad reorganizations and, one day, slipped into Jay Gould's office with a proposal for a Texas-American railroad. Gould demanded so big a slice of the possible swag that Stillman retreated in dismay.

In 1876, William Woodward's brother, James T. Woodward, a New York dry goods merchant, bought controlling interest in the Hanover National Bank. William Woodward had proposed to Stillman that their firm buy into a bank or two. Stillman, recognizing that only money made money, readily acquiesced. So it was that Woodward & Stillman became "interested" in James Woodward's Hanover purchase. Meanwhile Stillman was adding to his holdings in National City Bank stock.

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By 1884, Stillman was a director in both the Hanover and City Banks.

That same year Stillman became a director of the Chicago, Milwaukee & St. Paul Railroad. Here he met a man with whom he was to be most closely associated in business and in blood relationship: William Rockefeller.

An adequate portrait of William Rockefeller has never been drawn, even in outline. Voluminous chroniclers of Standard Oil history and commentators on the times have been content merely to cast William Rockefeller in the shadow of his more famous brother, John D., two years his senior.

Yet William, safely entombed for a decade in a mausoleum that he built almost with his own hands, was a far more colorful and dramatically interesting character than the sepulchral, desiccated individual who clings so curiously to life upon a planet that is spinning away from him and his ideas faster than he can follow.

To understand the brothers Rockefeller, one must go back a generation.

In appearance, characteristics and moral out-

look, William was a replica of his father, William Avery Rockefeller. The latter was a likeable and unregenerate old sinner who flourished in the Middle West during pre-Civil War days. Posing as a doctor of medicine, he sold his own Cancer Cure at a dollar a bottle. He traded horses, ran, wrestled, jumped, gambled and lied against all comers, coining easy money and (what really distinguishes him from his ilk) hanging on to it.

Old Doc Rockefeller's second son, William, was that way too.

While John D. was cornering the country's oil supply, in his cold, clutching, brilliant manner, William played along with him—but not like him. In those early days John D. fostered enmities that still rise up to plague him. And often men, damning John D., exclaimed: "If that blankety-blank John Rockefeller were only human like his brother! Now Bill's a regular fellow. He isn't afraid to tell you a hot story, slap you on the back or have a drink."

That's the reputation William gained as the sixties passed into the seventies and the seventies

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into the eighties and the income of the Standard Oil trust rolled in to the extent of forty, fifty and sixty millions of dollars a year.

Though he knew nothing of the history of the Roman Catholic Church, John D. Rockefeller instinctively modeled his great industrial organization after that body. Also, he recognized, as always have the fine minds of the Vatican, that every formidable institution, desiring to accomplish a serious mission, must have men able to mingle with the crowd.

Brother William was John D.'s Red Hat vice-roy, who could get right down into the ring with the herd.

There came a time when Cardinal William imagined himself greater than the Pope. Then he fell. In the fastness of the Adirondacks, James Stillman and John D. once had an interesting talk about William and his weaknesses. But, unfortunately, there was no magpie or parrot glued to a nearby perch of vantage. So we must merely assume that John D. wagged his head sadly and asked why Stillman had permitted William to make so many unfortunate investments; and

that Stillman rejoined, with equal sadness, that Brother William was a difficult proposition when he got set on a thing.

When James Stillman first crossed his trail, William Rockefeller was bent upon piling up the largest fortune that had ever come to mortal man since Croesus. He thought he knew as much as John D. about oil. He had come to New York in the late sixties and opened offices at 140 Pearl Street; from here soon he was bossing diffusion of the new Standard Oil Company's product over the East and in Europe. In 1880 he established larger offices at 44 Broadway, and then, in 1884, began supervising the building of 26 Broadway, which was to become the best-known business address on earth.

Until John D. began operating in person from the East, in 1885, William was the Rockefeller New York knew. He had a city and a country home. He raced and bred horses. Animals came to him intuitively and nosed his pockets. Years later he kept a pet eagle at the Jekyll Island Club, off Brunswick, Georgia, and guffawed heartily

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when a favorite grandchild remarked: "Grandfather, I thought eagles were just on gold pieces."

William Rockefeller, too, was no more successful with his children than was Stillman. One son's life was cut short by dipsomania. Another is still struggling without much evidence of success to maintain the family's commanding strength. Each married a daughter of James Stillman. But we digress.

From the very first, back in 1884, James Stillman and William Rockefeller met as men with kindred thirsts for power and wealth. Rockefeller had become thoroughly impatient of investments that paid but a meagre six, eight or ten per cent. Though not particularly imbued with the all-or-none spirit of the real gambler, he itched for big, spectacular winnings. Nor was Stillman eager for risk. He preferred to watch from the side lines and then leap in at the psychological moment and carry off the pelf. Thus, from the angle of self-interest, these men found themselves truly complementary. They were twin hounds on the same scent.

To James Stillman, back in '84, William

Rockefeller was a formidable figure, a power to be courted and kow-towed to.

Yet Stillman, one must thoroughly understand, had no intention of playing second fiddle to anyone. He was able to carve his own way and he could and would place himself in a position where the William Rockefellers of the financial world came to him.

He had mapped his career clearly, one may be sure.

He intended to become a master of capital.

Events shaped themselves to hand.

In 1882, Moses Taylor, whose teachings Stillman had so thoroughly imbibed, died. The autocrat of the National City Bank was succeeded by his son-in-law, Percy R. Pyne, a man of charm but little personal force.

In the nine years of Pyne's presidency, the bank steadily slipped. This was due in part to Mr. Pyne's state of health, in greater part to the missing hand of Moses Taylor at the helm.

As though predestined, James Stillman, the youngest director, was summoned to take the reins. We have his own description of how this

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came about. Again we quote from the memorandum dictated by a City Bank official during the panic of 1907, when Stillman became reminiscent:

Mr. Stillman spoke of his early connection with the City Bank and said that as a kindness to his friend, Percy Pyne, who was paralyzed and had been sent to Europe, Mr. Stillman agreed to spend two hours a day at the City Bank looking after things in Mr. Pyne's absence. As soon as he fairly got into the affairs of the bank, he found a condition which made him wish for Mr. Pyne's early return; that it was only the big balances of the Moses Taylor estate and the friends of Moses Taylor that kept the bank going. Things did not improve and Mr. Pyne died abroad. His death and Mr. Stillman's active interest in the bank determined his future connection with it and started his career as a banker.

And so, James Stillman, forty-one, became allied with that institution he had idolized as a child.

CHAPTER FIVE

A GREAT MONEY MAGNET

ONE CRISP EVENING, EARLY IN 1891, JAMES Stillman and William Rockefeller sat before a grate fire in East Fortieth Street, in a long, deep, intense silence.

The two, who were never quite able to bring themselves into that state of complete confidence desirable in partners, were revolving a problem: the possible advantages of Stillman, cotton merchant, assuming the presidency of the ancient, conservative City Bank. Finally, Rockefeller spoke.

"Stillman," he advised, "take it. I will back you, and I think I can persuade John to back you, too."

Though, as it turned out, Brother William was somewhat over-sanguine in his hopes of enlisting appreciable support from John D., that conference really shaped James Stillman's career.

Primarily, Stillman did not go into the City Bank, as has been so often asserted, as an agent of Standard Oil. However, without William Rockefeller's promised support, no sentimental reasons, one may be certain, would have persuaded James Stillman to accept control of a stumbling institution. He just wasn't that sort of individual.

So, in 1891, Stillman took his place as president of the National City Bank and sat in the chair on the platform that had once throned Moses Taylor.

The four officers and seventy employees were accustomed to the outward aspect of the small, elegant, enigmatic little man. But they did not really know him. They soon learned, some to their sorrow, that efficiency, organization, was his passion. With the thoroughness of a microbe hunter, he probed into details. "Let no guilty trifle escape," could easily have been his motto.

Every man was jacked up and snapped into place. Punctuality was rigidly enforced. The lunch hour was cut to thirty minutes, the working day lengthened. Even the most minute items

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of overhead, such as the cost and distribution of pads and pencils, were thoroughly scrutinized. Stenography and the typewriter were making their debut in the business world. The new boss jolted the chief clerk with a dozen "suggestions" for economy in repairs, cost of ribbons, notebooks, etc. Each hour, each minute (it seemed to the beridden employees), a laconic order for a change in methods bloomed upon the bulletin board, signed in small, straight script: "Jas. Stillman, president."

Some rebelled and were promptly fired. Others cooperated with the new management and their salaries were raised modest amounts. Yet not a single surviving veteran of those days recalls that President Stillman ever praised a job well done. He ruled absolutely by fear and was thoroughly ruthless in his rebukes when a job was poorly done. The result was that, within an incredibly short time, his men were models of efficiency who would as soon have considered defying the devil as disobeying a Stillman regulation.

There is a story that the first woman stenographer the bank hired fainted in the midst of

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Stillman's dictation. The story is true. Stillman, recognizing the typewriter as a time-saving device, instantly approved the innovation. The pioneer typist, however, was unfortunate in her initial experience. Stillman would pause for five minutes or longer between phrases, while fixing his eyes impersonally upon the wall, upon the person nearest, anywhere. His gaze simply terrified the young woman. She reeled through the door back of the platform, staggered to the lavatory and lost consciousness. She did not remain on the payroll.

Such episodes, however revealing, are, nevertheless, mere phases of a man's character.

Stillman's passion for exactitude concerned itself most minutely with the bank's clientele and its commitments. His all-seeing eye raked the portfolio. Notes long due were collected, bad debts wiped off or (more often) amortized, further credits were refused firms bearing honored names if even so much as a smudge were on their credit record, devilishly embarrassing personal questions had to be answered before the new president would consider a loan.

Gradually the decade of decline ceased and the bank began to swing forward.

Alone among the inner group of the bank's stockholders, Stillman had very definite, very practical ideas as to how he could win power for the City Bank and himself.

The lusty and picturesque era of individual economic growth in America, he foresaw, was drawing to a close. For twenty years the development of the country had been haphazard, hit-or-miss. A vast net of rails and wires had been spun from border to border. Mines and streams, wells and forests had been disgorged of hidden wealth. Now it was time these enormous natural resources should be canvassed, correlated—and Capitalized. The Age of Combination was at hand. Standard Oil had pointed the way.

The man, the group, the bank, with money in hand, could ride the current and profit hugely. One merely had to keep one's head, separate the wheat from the chaff, invest wisely and allow the irresistible energy of a new and bounding continent to carry one to the top.

America was a husky young nation with il-

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limitable resources. Its producing, consuming, distributing potentialities were magnificent; yet they contained forces both as constructive and as destructive as a rain storm. The prudent farmer welcomes a downpour when it nourishes growing crops but does not permit it to ruin garnered grain.

In this great new era of wealth production, James Stillman visualized for the City Bank a place comparable to that of a man at a sluice gate who releases sufficient water to irrigate parched land or float vessels, but not enough to cause a flood.

Figures may be deceptive creatures, but sometimes they do mean something.

In 1891, when Stillman became president, the City Bank had deposits of about \$12,000,000. Half a dozen metropolitan banks boasted more than double this total.

A brief two years later, 1893, National City had become the largest bank in New York and the greatest reservoir of cash in the country. Its deposits totaled \$30,000,000.

The explanation is absurdly simple.

Just prior to the panic of 1893, when the country's economic structure was weakening and other banks were shipping gold to London for harborage, the National City paid a premium to bring gold across the Atlantic to its vaults. In a single year Stillman increased the quantity of gold in the physical possession of his bank from two to eight millions of dollars.

While other banks were drained of cash, there was never a day when Stillman, puffing at a delicate little cigar, could not escort a favored or prospective customer to the cellar and display shining bars of gold. The psychological effect was enormous.

Stillman and his backer, William Rockefeller, believed in maintaining a large and impressive cash reserve. The former, as we have already pointed out, had been nourished in this primal principle by Moses Taylor. William Rockefeller had learned it from John D. and the Standard Oil. During those early days, and during his entire career, Stillman insisted upon keeping his gold reserve high, at times as high as forty per cent.

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When panic comes, people, of course, rush to the safest refuge.

The problem of the man who handles money is to provide a safe refuge. This Stillman did when the panic of 1893 gave him his first baptism of fire. He anticipated that terrific upheaval which plunged no fewer than fifteen thousand commercial houses into bankruptcy, with aggregate liabilities more than fifty per cent greater than in the debacle of 1873.

The panic of '93 prostrated trade, shook credit, depressed agriculture, and led to industrial and social unrest that at times approached anarchy. Labor riots broke out everywhere, centering in Chicago, where President Cleveland called out United States regulars to wrest the railroads from the actual physical possession of the Railway Union. Jacob Coxey organized a motley band of discouraged workmen, tramps, and curious human freaks of all description and started a march on Washington. "Coxey's Army" terrorized towns, seized freight trains and were finally dispersed by United States troops.

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During this period of tremendous unsettlement James Stillman kept his head.

With prices depressed far below true values, he surveyed the counter, as a good bargain-hunter should, and selected for his bank and himself the choicest of investments, meaning those that were safe and likely to become highly profitable.

In this crisis, and the years that followed, Stillman evolved, as had the elder Morgan, an entirely new conception of a banker's function:

To him the banker was not merely a man who loaned out money on good security at a nice rate of interest. He was a person who canvassed and looked into every possibly profitable project or business opportunity and who took *command* in supplying the necessary finances.

Stillman, even more markedly than Morgan, was first among the really great Rake-Off Boys. He applied in banking the same piratical principles that a long line of corporation lawyers—running through to the better-known legal ferrets of our day—learned to practise. In other words, the Hired Man becomes the Boss.

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Once, in private conversation, Stillman, haltingly, sought to explain his success.

"When I took control at the City Bank," he said, "I realized that the banking interests had not kept step with the progress of the country. On the other hand, they had been shriveling up, contracting their circulation, drawing themselves within their shells, and not contributing as they ought to the general progress. I felt that the country was developing with great rapidity, and that wise men should fall into line. Therefore I increased circulation, encouraged development, assisted improvements by extending credits where I could do so safely. In a few years I had the satisfaction of seeing other banking interests facing about and following the lines I had marked out. This, I imagine, has given me the greatest satisfaction of my entire career."

Some Wall Street bigwigs still cloak themselves in similar pontifical lingo.

Anyone, business man or banker, who rode '93 safely, came out with enhanced prestige.

Far beyond Wall Street, back in the last decade of the twentieth century, lay a realm, rich

and ready for the harvest. Most metropolitan bankers merely saw pluckings close to hand, the money to be earned in shaving interest, loaning out currency on call, backing commercial enterprises under their noses. These bank-bosses were mostly stodgy, well-burgundied gentlemen of the old school, perfectly content to sit behind their counters and rake in conventional profits.

Stillman's money sense went further. He visioned the lush profits in projects far-flung from Wall Street.

And so he began to fly wide and was taken into the councils of the men in the Street who really controlled the country's destiny. Several times, after the panic of '93, the Government was drained of its gold reserves and threatened with bankruptcy. Only bold and secret action by Treasury officials and New York bankers, led by Pierpont Morgan, averted disaster. Twice in 1894, the Treasury was forced to issue emergency bonds. Morgan, always, was the man appealed to.

When the Treasury, unexpectedly, asked for fifty millions, Morgan sent for Stillman. It was a

royal command for any man to be summoned to the white marble building at Broad and Wall Streets. In other words, Stillman had arrived.

Twenty years later, when he had taken up residence among the volatile French, Stillman thus dramatized the incident:

"Morgan was upset and overcharged. He nearly wept, crying: 'They expect the impossible.' So I calmed him down and told him to give me an hour; and by that time I cabled for ten millions from Europe for the Standard Oil and ten more from other sources and came back. I told him: 'I have twenty millions.' I told him the sources. He became perfectly bombastic and triumphant, as the Savior of his country. He took all the credit. But then, you see, Morgan was a poet. Morgan was a poet!"

To Pierpont Morgan's few surviving intimates, the Stillman version of this episode seems a trifle far-fetched, in its indication of intimacy between the two men. Morgan, his friends recall, never once set foot either in Stillman's home or office.

However that may be, Stillman and William

Rockefeller did come to the aid of Morgan and the Treasury in the gold crisis of 1894.

About this time, perhaps at the very meeting when Stillman found Morgan so emotionally poetic, the latter warned him against E. H. Harriman, then generally recognized as the power behind the strikingly successful Illinois Central Railroad.

"Look out for that little fellow, Harriman," Morgan grunted. "He isn't so smart as some people think. At heart he is only a two-dollar broker and he isn't a safe man to do business with."

Morgan spoke with considerable asperity. For some years Harriman had been a burr under his saddle. In 1887, through a legal technicality, Harriman had defeated Morgan in a skirmish for control of a minor railroad in Central Iowa known as the Dubuque & Sioux City. Illinois Central had this road under lease and wanted to purchase. Majority stockholders objected and placed their securities in the hands of Morgan. At the annual meeting of the railroad in Dubuque, Harriman showed up with a lawyer and

prevented voting of the majority stock on the flimsy pretext that proxies were signed by Morgan's firm, Drexel, Morgan & Company, personally and not as trustees. Eventually the shareholders sold out to Illinois Central, much to Morgan's disgust, at \$80 a share.

From that time on Morgan watched Harriman, hoping and predicting the latter would take a cropper. But that surprising little human dynamo didn't. He built up the Illinois Central until it became one of the soundest, most profitable roads in the country. Furthermore, if the road needed loans, it always came into the market when money was cheap and borrowed (never of Morgan) at more advantageous rates than had hitherto been known. Harriman actually sold one Illinois Central three and one-half per cent bond issue at a fraction above par—a far cry from the old eight and ten per cent days.

After he weighed, assayed and tested, Stillman invested in Illinois Central bonds.

Accordingly, while he appeared in agreement with Morgan's view of Harriman, the great man's words aroused his curiosity. There must

be qualities in Harriman worth studying, he thought, for Morgan to denounce him so vigorously.

And so Stillman examined Harriman. What he learned then and later, through long personal association, caused him repeatedly to refer to Harriman as the Little Wonder. Though the two never became intimate friends, Stillman, on occasion, was overwhelmed by Harriman's breathtaking audacity and matchless brain-power.

The City Bank president found that Harriman, after learning all the tricks of the Wall Street trade, had turned his energies Westward, where a great empire was being developed. The eyes of Morgan, on the other hand, were turned East, toward Europe, where lived practically all of his clients. The chief interest of the House of Morgan, then, as now, lay in protecting the holdings of its European clientele, rather than in developing new American enterprises.

Domineering, combative, unpleasant as were many of Harriman's personal characteristics, he was essentially an American product. He transformed himself from a Wall Street broker to a

peerless practical operator of railroads. Stillman, who had long been surveying the West, saw, with Harriman, that in transportation lay the essential key to wealth and power.

Inevitably, self-interest must bring these men together.

Meanwhile, Stillman was concerned with the re-creation of his bank. Now that the bank was moving rapidly forward, he decided to imbue it with a sacerdotal aura. The National City Bank would solicit no accounts, never bend a finger to draw a single penny of deposits.

In that nervous, scandal-smirched, post-panic era, the artful strategy worked splendidly. Men came in droves begging loans and credit or opening accounts.

Behind the scenes, however, the new City Bank guardian, advising at each step with Brother William Rockefeller, employed every artifice to bring in business. His yacht, *Wanderer*, was refitted and Stillman guided her in and out of Newport Harbor where now, each season, he found it advisable to lease a summer cottage, containing seventeen rooms and four baths.

Guests on the *Wanderer* and at the "cottage" were winnowed with extreme care. Toward each Stillman manifested exactly the proper degree of cordiality.

A veteran City Bank official recently was describing, in awed tones, the cold, aloof and impressive attitude of Stillman toward those he met both in business and socially.

"But didn't his very manner make enemies?" I asked.

"Oh, no," was the quick, involuntary response. "Mr. Stillman was never rude to a man of importance."

Touché!

Stillman was now regarded downtown as a Power. He practised his profession as an occult science, with extreme secrecy and icy detachment from the crowd.

In three brief Wall Street years, he had become a Big Banker.

In his home, though, there was still a problem.

Mrs. Stillman did not properly fit into his new picture. She needed responses he would, or could, not give. He desired a household con-

ducted with meticulous precision, every detail attended to just as it was at the bank. Precision, apparently, was a need of his nature.

If Sarah Rumrill Stillman was unable to manage his house as he wished, it was necessary to get someone who could.

So, in 1894, the final break came when Stillman instructed his wife to yield her keys to a housekeeper of his choosing. He still believed at forty-four, just as he had at sixteen, that "a man does not advise with women—he tells them what to do."

That night, at Cornwall, Mrs. Stillman told her husband that she could no longer remain in his home. The banker may have been shaken to the core but showed no outward sign. He told his wife that he would arrange for her to take up residence in Europe, that she was to remain abroad indefinitely and that she must understand, in leaving her home and husband, she was severing all ties.

Never again should she communicate with either him or their children.

The wife assented. In her burned a single desire: to get away.

She wired a girlhood chum, Josephine E. Tucker, of Syracuse, N. Y., to join her, and a few days later they sailed from San Francisco for Japan. Eventually she took up a quiet residence in Paris. Her self-imposed exile lasted until her husband's death a quarter of a century later, during which time she neither saw nor spoke with any of her five children.

When his wife left Cornwall, Stillman told the children they must never even mention their mother's name. The oldest son, James A., was then a sophomore at Harvard. The second son, Charles Chauncey, was eighteen and in preparatory school. The youngest child, Ernest, was in short trousers. The girls were in pig-tails. None of the children dared disobey Stillman's ukase.

Stillman rarely mentioned his wife after her departure, though her name continued to be listed with his in the Social Register. On the rare occasions when he did speak of her, Stillman vaguely and variously intimated that her mind was affected or that she had become addicted to

drugs. Neither intimation was true. Until her death in November, 1925, Mrs. Stillman managed her own affairs and, in 1923, dictated a will disposing of her \$500,000 estate.

Though he was to become one of the loneliest of men, now—in the mid nineties—housekeepers attended to James Stillman's home efficiencies and the bank became completely his mistress.

CHAPTER SIX

THE BANK IMPERIAL

IN THE LATE NINETIES, JAMES STILLMAN'S financial genius came to full flowering.

Those attributes that had been born in him and those he had so carefully cultivated combined, in his new role of banker, to push him forward with giant strides.

With no absorbing interest other than his bank and his quest for power and fortune, Stillman quickly attained a position unique among America's money masters. His career has never quite been paralleled in this country and, doubtless, was possible only in that particular period. Not that there was any fortuitous element in the rise of the artful, elusive personage who now *was* the National City Bank.

The Stillman ancestry, training, the man's own inclinations, all fused into molding a perfect money-changer and manipulator.

He attached himself to none, yet allied himself with all controlling interests in his new environment.

There was something as abstract about him as a force in nature, and as impressive.

He entered the active Wall Street arena at just the moment when battle lines were forming for a death grapple between two tremendous groups of capitalists: Standard Oil and its allies versus the House of Morgan and its allies. Together, these two groups dominated the country, economically and politically.

Though his association, primarily, was with the Rockefeller group, Stillman never openly took sides in the Battle of the Giants. Gradually, grudgingly, he was accepted by Pierpont Morgan as a useful intermediary and, eventually, as a mediator.

Stillman played his emollient part perfectly, again and again performing the remarkable feat of carrying water on both shoulders and never spilling a drop. Incidentally, to carry the figure further, much of the water was poured into

numerous promotions of Stillman and the City Bank. Stillman was an ideal middle-man.

The strange, covetous little mystic's chief associates in these ventures were E. H. Harriman, William Rockefeller, H. H. Rogers, Jacob H. Schiff and, to a limited extent, John D. Rockefeller and the great J. P. Morgan.

The story of these promotions is the story of a few fascinating, crowded years when a comparatively small number of men decided to remodel the country according to their heart's desire. These men were each and every one endowed with craft, preternatural energy, and varying degrees of specialized intelligence. There were flamboyant fakirs such as John W. (Beta-Million) Gates. Some were hypocritical poseurs on the order of Andrew Carnegie and William Rockefeller; still others exuberant, attractive individuals like H. H. Rogers and J. P. Morgan.

Amid this clashing, audacious crew, Stillman won quick place as a pacificator. The men with whom he dealt did not understand him, yet felt soothed when they blew off steam to him about

a rival, and found that he never violated a confidence.

Cold and peremptory Stillman might be to the men under his authority. But he was suavity itself to those "bigger" men who might prove useful.

Stillman's ears were large and strictly a one-way apparatus. He was an extraordinary listener. He would have considered it a serious breach of confidence, for example, to repeat to A a casual remark by B that the weather was a trifle chilly! This meticulous trait was his forte. Because of it his prestige grew and grew.

So extreme an introvert, of course, would, eventually, have exploded under the sheer pressure of his introversion if he, in turn, could not find an outlet.

James Stillman had a confidant, an individual into whom he poured his innermost secrets, one who filled the place of the chum Stillman never had in boyhood. This was John William Sterling, corporation lawyer.

Sterling was a personality Charles Dickens would have adored—as much as Sterling adored

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Dickens. He was a man of infinite variety and had been Stillman's personal counsel for many years. Like Stillman, he hailed from the salty section of Connecticut. He was born in Stratford, Connecticut, in May, 1844, son of a famous sea-captain, who commanded fine ships in the China and South American trade. Despite his seafaring blood, Sterling had a violent antipathy for the water. Not only would he never cross the ocean but he avoided even a ferryboat ride. In later life, when he vacationed annually at the fishing and hunting preserves of his client, Lord Mountstephen, he always insisted upon fishing from the solid foundation of a bridge.

Stillman met Sterling in the seventies and sent the latter to Brownsville, Texas, on property matters connected with his father's estate. The man who introduced them was James O. Bloss, a fellow cotton broker, whose unruffled disposition won him the nickname of "Blossy". For forty years Sterling and "Blossy" lived together in perfect bachelor harmony, which no one save Stillman was able to penetrate.

Sterling's law firm, Shearman & Sterling,

founded in September, 1873, had appeared in many important cases, criminal and civil. Thomas G. Shearman had won fame both as a lawyer and an active abolitionist. For two years the firm defended Henry Ward Beecher against the suit of Theodore Tilton, involving Mrs. Tilton.

Now, in the nineties, John W. Sterling was a noted corporation lawyer.

He was a crochety little man, no more impressive physically than Stillman, and he had the latter's love of precision carried to an even greater extent. He made all appointments by minutes: three seventeen or four thirty-six o'clock rather than three fifteen or four thirty. And, being himself punctual to the split second, he expected his clients and callers to be! Stillman had not quite dared to carry his passion for detail to that extent. His admiration for Sterling was inordinate.

Even before Stillman's presidency, Shearman & Sterling had been attorneys for the City Bank. The firm, of which Sterling was active head, occupied offices in the bank building.

When Stillman took over the reins, he and Sterling met not only many times during the day but most evenings found the two cronies together. Both were members of the Union League Club, where they often dined—that is, unless something had occurred at the club to offend Sterling. A chair might be slightly out of line in the reading room or a bellhop a bit slow in responding to a ring. In that event Sterling would make no complaint but for seven days, no more, no less, he would boycott the club, even going blocks out of his way to avoid sight of the offending institution.

Sterling's story is little known and probably will never be written in the flavorful detail it deserves. For this eccentric lawyer, who lived for years in a great Fifth Avenue mansion behind steel grates and bars, also barred himself against publicity, so accounts of him are rare.

Without Sterling's advice and support, Stillman would have retreated in dismay from many situations in which he was to find himself during the decade or more that followed his entrance into banking. Day after day, night after night,

Stillman flew to the one man whose guidance he respected. Sterling, with his love of detail, was an adept in the art of legal wriggling. Stillman, who by nature invariably selected the serpentine route, now learned to tread softly but safely in his financial manœuvres.

These unusual gentlemen, equipped mentally as they were, formulated decisions that were fateful to millions of people. Much of what has happened in the last few years was the outcome of those decisions.

It was upon Sterling's recommendation that the National City Bank, in 1897, absorbed the Third National Bank and, at one stroke, pushed out ahead of every other bank in the New York Clearing House Association.

If one examines the graph of the City Bank growth, one will note surprising expansion between the years 1896 and 1897—a jump in deposits from \$31,000,000 to \$110,000,000 and in total resources from \$37,000,000 to \$115,000,000.

Part of the increase (sufficient to rank the National City Bank first in the New York dis-

trict) was accounted for by the purchase of the Third National Bank. The greater part, however, came when Stillman obtained the management of the immense sums involved in the reorganization of the Union Pacific Railroad.

The once magnificent Union Pacific had wallowed into receivership during the panic of 1893. Stripped of its outlets and important branches, its main line trailed off helplessly at the borders of the Great Salt Lake. Its financial situation was complicated by the necessity of paying a long overdue debt and interest of some \$45,000,000 to the Government. Mainly because of political complications, Pierpont Morgan refused to touch the mess.

One morning, in 1896, Jacob H. Schiff, senior partner in the firm of Kuhn, Loeb & Company, sidled into Morgan's office and asked whether the great man would object to Kuhn, Loeb's working out a plan of rehabilitation with a committee of Union Pacific stockholders. Morgan acquiesced with a wave of the hand and perhaps a gleam of maliciousness—for, next to Harriman, he disliked the German Jews who were pushing for-

ward in the American banking field, and he considered U. P. certain disaster.

For a year Schiff and the Union Pacific committee struggled with the problem, before the wily Schiff became aware that some mysterious, undercurrent force was pulling against him. This force appeared to be organized, since it took form in hostile newspaper articles, curious postponements of Congressional committee hearings on the necessary enabling act, delays in agreements by individual bondholders, etc.

Morgan, Schiff decided, must be responsible. So again he called upon The Magnificent and once more, obsequiously, offered to withdraw if he had done anything to offend, or perhaps Mr. Morgan had changed his mind and himself wanted the Union Pacific.

"No," said Morgan, "I am not interested nor am I interfering with your plans. But I will find out who is."

A few days later Morgan sent for Schiff and told him: "It is that little fellow Harriman. Look out for him. He's a sharper."

Then followed several remarkable interviews

between Harriman and Schiff. Harriman said boldly he had decided to reorganize Union Pacific and manage it himself. Schiff sought to frighten him off by cajolery, flattery, bullying, to no avail.

"Schiff, I can get money cheaper than you," blurted Harriman bluntly, "and I can run the road better than anyone you put in."

Each time he met the unbluffable little gamecock, Schiff became more impressed. Finally, a compromise was worked out. Harriman was to be put on the executive committee of five, along with a man of his choosing.

The man Harriman chose was James Stillman.

Already the two had gotten together and Harriman's picture of the Union Pacific's possibilities under proper management had inflamed Stillman's imagination. Harriman convinced Stillman that he could make U. P. common as valuable as the stock of that seasoned old dividend-payer, the St. Paul Railroad, which had surmounted the late panic with ease and was selling above par.

Stillman, in turn, sold Harriman to his Standard Oil associates.

After that, things ran smoothly. "The City Bank men," points out John Moody, in his *Masters of Capital*, "did not at first put much money into the Union Pacific, but they were important factors in the underwriting syndicate, which got millions of stock as a fee. Many more millions were later bought by members of the syndicate at from twenty to thirty dollars a share, until ultimately about one-third of the entire stock (practically the control) rested in the hands of William Rockefeller, E. H. Harriman, Kuhn, Loeb & Company, and James Stillman."

The story of Harriman's metamorphosis of the dying Union Pacific into the most magnificent property in the country is the classic example of successful railroad management in the United States. Within ten years, aided too by returning prosperity, the Little Wonder had rolled up a capital of a billion and a half for the U. P.

In later life Stillman paid spontaneous tribute to Harriman as "a great money-maker", adding: "I have been acquainted with all of the prominent men of this country during the last

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forty years, and I can truly say that Harriman, in his conception of vast achievements, and his skill, energy and daring in bringing them to realization, far surpassed any other man I have ever known. His brain was a thing to marvel at; and yet if you could take it apart as you would a clock, you would find its mechanism extremely simple. Nevertheless, it could make the most complex problem understandable and solvable."

It was Harriman's money-making possibilities, of course, that chiefly interested Stillman. From 1897 until Harriman's death in 1909, the two foraged together. Harriman found Stillman's owlsh silences actually restful. The men seemed attuned to each other's mental shorthand. Stillman often fought long and hard to hold Harriman down to earth. Some of Harriman's schemes, miracle man that he was, were too audacious even for Stillman and his Standard Oil crowd.

One night, after a day of strife, Harriman dragged Stillman from the latter's box at the opera and drove him in silence to the Harriman home in East Fifty-fifth Street. He stirred up the fire, passed cigars and then began to talk. "Still-

man," he exclaimed, "you have brains. I like to work with you!" Stillman said nothing. Harriman rambled on. Finally Stillman blew a ring of smoke toward the fire and asked: "Harriman, what interests you most in life?" The little man pulled at his walrus moustache and thought a moment, then said: "I guess maybe it's to be told that some big thing can't possibly be done, then jump in with both feet and do it!"

Such occasions, however, were rare. Both men were too much occupied with the eternal push of their business activities. Stillman seldom turned down an opportunity to hitch himself to the Harriman kite. In 1898 he formed a syndicate, with two other Union Pacific directors, which purchased the Chicago & Alton Railroad and, within a few years, increased the capitalization of that company from \$33,950,000 to \$114,600,000. The profits made by the syndicate amounted to \$23,000,000. The three men making up the syndicate were E. H. Harriman, George J. Gould, James Stillman.

A few years later a storm of criticism and an official investigation beat down upon Harriman,

almost destroying him. Stillman quietly folded his tent and evaporated. He had rented a house in Paris and was actually settled there before even close associates knew that he had sailed.

Stillman had the protective instinct of a forest creature sensing a coming storm. He was always ready to climb to the outmost branch of the tree but he never sawed off the limb.

The late George W. Perkins, who got his Morgan partnership on Stillman's recommendation, used to relate an anecdote illustrating Stillman's incorrigible secrecy. Meeting Stillman one day, after the banker had returned from a hurried trip to Europe, Perkins remarked: "I see you are back, Mr. Stillman." Stillman looked at Perkins quizzically without saying a word. "Oh, you needn't confirm it, Mr. Stillman, you needn't confirm it," added Perkins hastily.

Stillman was not so fortunate, however, in escaping criticism over the flotation in 1899 and subsequent fiasco of the Amalgamated Copper Company, capitalized at \$155,000,000.

The Copper Trust resulted from the dream of two Standard Oil men, H. H. Rogers and Wil-

liam Rockefeller, to control the world's copper output. Their efforts, aided by Stillman, to organize the copper industry along Standard Oil lines were fought by independent producers in Montana, headed by the Heintzes. For several years a condition approximating civil war obtained in Montana, with wholesale bribery and corruption, litigation and armed clashes. In the end, after copper had fallen below the cost of production, a compromise was effected, leaving the Heintzes victorious.

While the warfare was raging, C. W. Barron, in his financial journal, the *Boston News Bureau*, unmercifully drubbed Rogers, William Rockefeller and James Stillman, who managed and manipulated all pool operations. Barron, a fat, roly-poly little man, with a trenchant pen, wrote:

"The intrinsic value of Amalgamated shares is \$37.50 and although it was sold to the public at \$100 a share and above, there was never a quotation of Amalgamated that did not show the 'insiders' a profit. There were cellars and sub-cellars and cellars below in the formation of

Amalgamated. The company has brought ruin to tens of thousands of trusting investors, who believed in the great names of American finance, which were identified with the promotion."

John D. Rockefeller's private words of condemnation for his brother and Rogers were even more scorching. John D. did not object to the boys turning a few millions in copper but he did object to the Rogers-Stillman ballyhoo, indicating that Standard Oil was back of Amalgamated. And he suffered even more bitterly when the continuing decline in quotations of Copper Trust stock dragged down some of his own holdings.

To emphasize his disapproval, John D. quietly withdrew some of his personal deposits from the City Bank. Stillman and William Rockefeller were never able to mollify John D. nor thereafter interest him to any extent in their subsequent enterprises. "I'll stick to oil," was the Oil King's invariable response as he continued to amass his fortune of a billion and more, while Brother William's millions rose and fell like a thermometer in a changeable climate.

Amalgamated Copper ran the gamut on the

Stock Exchange and the state of anarchy in Montana grew uglier week by week. Eventually, bold and radical voices demanded an investigation by Congress into the legal and ethical right of a national bank to underwrite mining ventures. The demand died a-borning.

The Government was in control of the most reactionary administration since the Civil War. William McKinley was President, and McKinley's mentor, Marcus Alonzo Hanna, had reason to be grateful to the corporations and the Eastern financial interests, which had poured millions upon millions into the Republican coffers and, indubitably, bought and paid for the narrow victory of McKinley over W. J. Bryan in 1896. The dollar mark hovered over and dominated every branch and bureau of the Government during McKinley's years in the White House.

Stillman had his own pipe line into Washington, particularly into the Treasury department—a pipe line that never clogged.

Mysteriously, Stillman seemed to know days ahead each time there was a re-funding operation

in prospect or when Government funds were to be deposited. As the National City Bank grew in power and importance other banks began to manifest jealousy. Many querulous, apparently inspired, articles appeared in the *New York Sun*, complaining of Treasury favoritism toward the City Bank. It may have been only a coincidence that Pierpont Morgan and William M. Laffan, proprietor of *The Sun*, were chums and the former was reputed to own part of the paper.

However that may be, the City Bank enjoyed a close and most profitable relationship with the United States Treasury under the administration of Lyman J. Gage, McKinley's first Secretary of the Treasury. Gage had been president of the First National Bank of Chicago, a sage old democrat who refused to follow Bryan in the campaign of 1896.

When he went to Washington, Gage took with him as his secretary the brilliant young financial editor of the *Chicago Tribune*, Frank Vanderlip.

Born on a farm near Oswego, Illinois, Frank Arthur Vanderlip educated himself through his

own efforts. He had worked in a machine shop and filled a variety of jobs before he gravitated to Chicago, seeking a career either as a writer or an engineer. He became a cub reporter on the *Tribune* and was assigned to cover the hotels and pick up items of interest. On the same "beat" for the *Chicago Herald* was Charles B. Dillingham, who later gained fame as a theatrical producer. Dillingham's wider acquaintance with the hotel men enabled him to beat Vanderlip on several stories hand-running.

The *Tribune* hesitated for a time whether to fire its farmer-boy recruit, finally assigning him to the financial department. Here Vanderlip was in his element. Economics was just duck-soup for him, figures, his meat. He worked day and night, rose to be financial editor, and established, among important men in Chicago, contacts that were useful—to them and to him. Coming of plain people, from youth associating greatness with wealth, young Vanderlip naturally admired men of means and power. Yet never, even when he himself became a nabob of finance, did he quite subdue a sneaking feeling that things of

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the spirit were more to be aimed at than things of the flesh. However that may be, he went in for the things of the flesh, hook, line and sinker, for a good many years.

Within three months Secretary Gage named "Frankie", as he affectionately called Vanderlip, Assistant Secretary of the Treasury and placed him in charge of the fiscal bureau having to do with Government deposits. This was an exceedingly powerful post, carrying, as it did, choice of national banks in which to deposit, and through which to distribute, internal revenue receipts, the gushing fountain for the dissemination of Government wealth. These deposits totaled about \$300,000,000 a year. As the Treasury was in good condition, that meant a daily average of \$30,000,000 or \$40,000,000 at the very least, for which the favored national banks paid not one cent of interest.

This vast amount of Government funds, the people's money, the banks could either loan out at high Wall Street rates or distribute among other associated banks.

The National City Bank got its share of the

gravy, more than its share according to the complaints of critics and rivals.

With the opening of the Spanish-American War, the Government floated a \$200,000,000 popular loan. The amount seems insignificant now, but was tremendous then. Secretary Gage placed the selling campaign in the hands of his talented young assistant, Vanderlip. The latter did the job well. The loan was subscribed seven times over by a war-fevered public.

Incidentally, James Stillman headed the most important of the private syndicates called into being by Messrs. Gage and Vanderlip to underwrite the loan. It was quite natural, therefore, when the war was over, for Secretary Gage to designate the National City Bank as agent for the transfer of the \$20,000,000 in gold paid to Spain by the United States for the Philippines. This was a very profitable transaction.

Also, in this year, 1899, Stillman completed a spectacular merger of the Consolidated Gas Company of New York with the Edison Illuminating Company, controlling electric patents. This placed under the domination of Standard

Oil the entire lighting system of New York City, a domination that continues to this day. To consummate this amalgamation, Stillman had to whip into line a number of competing gas companies.

By now the total resources of the bank were approaching two hundred millions of dollars. Stillman's striking success had attracted hordes of new depositors and brought back into the fold many merchants—metal, leather, sugar, coffee men—who had drifted away after Moses Taylor's death.

The bank's deposits, as the century drew to a close, were about one-seventh of the total deposits of the sixty-four banks comprising the New York Clearing House Association. Its loans were about one-eighth of the total loans of the same group.

Number Eight (National City's Clearing House designation) had become by far the most powerful member of the leading group of banks in the United States, if not in the world.

It need not shrink from comparison with the

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Bank of England, the Bank of France, the Bank of Germany.

All it required was official support to enable it and its powerful group of stockholders to dominate the public and private finance of the nation.

CHAPTER SEVEN

THE VISION

JAMES STILLMAN, WALL STREET'S LATEST WIZARD of Finance, sat in the huge library of his East Fortieth Street mansion playing solitaire.

If one of his children or a servant tiptoed into the semi-darkened room, an icy glare rapidly sent the intruder elsewhere. When James Stillman played solitaire, he wished to be alone. It was his method of meditation.

The cards seemed to slip into place mechanically, as the banker puffed delicately upon a thin, dainty cigar, and reviewed the bigger Game downtown. "Thoughts while playing patience would seem rather incongruous and unavailing to most people," he was wont to remark, "but somehow they always help me straighten out and arrange the events of the day."

However, on this particular night at the close of the nineteenth century, James Stillman was

not thinking of today but dreaming of tomorrow.

Indeed, it was no mere dream but a grandiose vision.

He would make of his bank an imperishable institution that should endure down the centuries and perpetuate his name—an institution solid, impregnable as a few great European houses that were rich in tradition and part of the very fabric of their countries. He would erect a bank of such commanding power and prestige as to dwarf all others in the world.

For its creator, while he lived, such a bank would be a temple, a shrine; after his passing, a fitting monument to bequeath to his posterity.

Stillman communicated his Alexandrine musings to his second self, John Sterling. The eccentric lawyer caught the vision and applied to the problem his own highly pragmatic gifts.

As a preliminary step, the cronies agreed, a suitable building on a suitable site, the outward and visible sign of power and domination, was necessary. Both men looked about for a location. Finally, they selected the old Custom House, at

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Wall and William Streets. This building, original site of the Stock Exchange and the Merchants Exchange, with impressive old Ionic colonnades, was one of the landmarks of New York, occupying a square block.

No city in America, few, in fact, in the Old World, boasted a bank that commanded an entire block of space. Stillman and Sterling toyed with the idea of the Custom House site as a gourmet smacks his lips over a delectable dish of his own fashioning. Then Stillman went to Washington and consulted Lyman Gage, Secretary of the Treasury, and President McKinley.

The result was the City Bank's purchase, by a "private arrangement", for \$3,265,000, of the most commanding site in financial New York. A farcical public auction was held at which the bank was the only bidder. According to competent experts, basing their judgment on other sales in the same district, the value of the site was about \$5,000,000.

Stillman, however, was not yet prepared to occupy the premises. In the interim, through a deal with the complaisant Gage, the bank was

permitted to retain the purchase money in its vaults, while the Government agreed to pay National City an annual rental of four per cent.

The first step in Stillman's lordly vision had been realized. Now the bank had to grow up to the dream. On January 1, 1900, Stillman multiplied National City's capital stock by ten, thus giving it double the capital of the next largest banks in the country. Part of the new fund was employed to purchase control of certain state banks—the Columbia, Lincoln, and Bank of the Metropolis—useful as "feeders" for the National City.

The National City became indeed an imperial bank, with \$10,000,000 capital, dominated and controlled by a man who saw no limit yet in sight.

Nor was there a limit at that particular period.

Stillman and his associates were as men who had suddenly leapt from a horse car to a railroad express. Only the crassest of stupidities could have prevented them from profiting through the country's natural development. It is needless to add they were not stupid.

Alexander Dana Noyes, in his *Forty Years of American Finance*, gives us a picture of the extraordinary opportunities for riches afforded by America at the turn of the century: "The reservoir of American capital seemed inexhaustible; it filled up on one side faster than it could be drained into various enterprises on the other. It was then that the scheme of recapitalizing American industry was conceived. Industrial trusts were not new in American financial history, but new conditions of prosperity caused a quick upspringing of the idea. Such combinations found that their shares were readily absorbed; while venturesome promoters selling their shares at a heightened valuation appeared to create new capital. This capital, gathering confidence and pressing on all investment markets, had not only raised prices of our own securities to unexpected heights, and brought back from Europe the bulk of American investments in foreigners' hands, but had overflowed into such quarters as British consols and German Treasury bonds. Even after all this, a huge credit fund was still left uninvested on home and foreign markets. At such

times, people always wonder what is to be the outcome, and the outcome is always the same. The public inferred that these purchases were being made on their own account by men of boundless wealth, who were merely investing their private capital, but it was wholly mistaken as to the nature of the movement. What was actually happening was that one corporation, having borrowed large sums of money to buy up the shares of another subsidiary or competing corporation, intended, as soon as the property had been obtained, to hand it over, issue new stock and bonds of their own corporation and use the proceeds to reimburse themselves with a handsome bonus."

Stillman and his associates not only raked in the handsome bonuses referred to by Mr. Noyes but they levied tribute upon every element in the new-forming combinations. They created their own "values". The Stock Exchange and its various committees on ethics, fair trading and the like, were merely instruments.

Stillman and Company were the physicians of finance. Their problem was to crowd into the

gullet of their patient (the public) sufficient pills to keep him peppy, without quite causing indigestion.

Brilliantly, they succeeded.

Their only frustrations flowed from quarrels among themselves.

The code of fair play, among fair men, always has been: "Win honestly. Give the other fellow a chance."

The code of the Wall Street powers was: "Self interest first, last and all the time. Crush anyone who stands in the way."

Of such philosophy was born the so-called Northern Pacific panic of May, 1901.

Harriman, with Stillman, Standard Oil, and Kuhn, Loeb & Company backing him, was boss of the Union Pacific and already spreading out through the erection of a towering capital structure.

James J. Hill, a long-haired, one-eyed, uncouth railway-operating genius, with Pierpont Morgan support, was boss of the Great Northern and Northern Pacific.

Both Hill and Harriman coveted the Chicago,

Burlington & Quincy Railroad. The Burlington, with a mileage just short of 8,000, stretched fan-wise through the richest traffic country in the West. It tapped the river valleys of the Mississippi and its tributaries; the mining industries of Colorado and the Black Hills; the fertile lands of Illinois, Iowa and Nebraska; the coal mines of Illinois and Iowa. It could supply either party with abundant traffic and freight both East- and West-bound.

Early in 1901, these audacious rivals began to dicker for the Burlington.

What followed would have been opera bouffe except for the way John Q. Public got roped in and as demonstration of the manner in which the Big Shots of those days operated. Hill and Harriman openly defied each other at a personal meeting in George F. Baker's home. This ended any possibility of compromise in the absorption of the Burlington.

Hill was confident he was safe. He not only had the powerful backing of J. P. Morgan but his Northern Pacific Railroad had already acquired a clear fifty per cent of the Burlington.

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He was certain, as was Morgan, that Harriman was squelched. Morgan went to Italy. Hill posted out to the Pacific Coast.

But trouble was brewing.

One April afternoon, three men sat in conference: Harriman, Stillman, Sterling. "Lord John" Sterling (so-called in jocular allusion to his titled clients, Lords Mountstephen and Strathcona) revealed to his confreres a way to obtain control of the Burlington. If an individual or a group could purchase control of the Northern Pacific, which owned half of the Burlington, then, of course, Burlington was in the bag.

Harriman and Stillman caught the idea.

Without hesitation, they determined upon open warfare on Morgan and Hill. They went into the open market to buy control of the \$155,000,000 of Northern Pacific stock. "The boldness of the plan," comments Hill's biographer, "allied it to a work of genius. From those grim old lions (Morgan and Hill) who guarded the way, the quarry was to be snatched before they sensed the presence of an enemy. The implications of the project were tremen-

dous. Suppose the Union Pacific gained control of the Northern Pacific. At once the Great Northern would have to make terms with its new owners, or bear the brunt of incessant attacks along two thousand miles of battle front. It would be shut into its narrow strip between its line and the Canadian border. As the Union Pacific would succeed also to a half interest in the Burlington, the situation there would be a permanent deadlock. . . . There could be but one issue from a position so intolerable. He [Hill] would have to make the best terms he could. And the terms dictated by an interest that would then reach from New Orleans and Galveston to Winnipeg, and from San Francisco, Portland and Tacoma to Chicago, St. Paul and Duluth, were not likely to be tolerable. The victor could then make them almost what he pleased."

As students of financial history know, there wasn't any victor.

Harriman won control of Northern Pacific on a basis of total stock in hand, but failed to control the common stock which held final voting power. The Little Wonder gave the order

one Saturday morning to purchase the necessary number of common shares but, as it happened, old Jacob Schiff was gaining consolation for his troubled soul in a synagogue, and the order was never executed.

The result, after a terrific joust on the Stock Exchange, was a draw.

When Northern Pacific shot up from 100 to 500 to 1,000—with hundreds of offers and no stock for sale—Wall Street brokers and the public, which had sold short, found themselves insolvent, on paper.

Then, of course, a compromise was necessary. James Stillman was the mediator!

All through this swift-moving panic, Stillman played a double rôle. Though he was Harriman's friend and supporter, he had not anticipated so violent a battle. Regretting the upset in general values caused by the wild speculation in Northern Pacific, he sought to remedy the situation by accepting the chairmanship of a special Clearing House committee.

The committee worked out a stabilization plan by which brokers, who had sold Northern Pacific

short and defaulted upon their contracts for stock deliveries, were permitted to settle at \$150 a share. The troubled waters abated.

In the midst of this unnecessary panic, Harriman underwent an operation for appendicitis. Emerging from the ether, he begged the surgeon for just one telephone call. Consent won, Harriman phoned James J. Hill.

"Hello, Hill," feebly called Harriman. "Is that you? Well, I want to tell you they just took out my appendix—and I'm all right."

From that May day in 1901 until the end of their lives, Harriman and Hill were friends.

Stillman emerged from the Northern Pacific battle with vastly enhanced prestige. His exceptional talents, his air of mystery, the fact that he was felt rather than seen, served to place him upon a pedestal. Wall Street is easily awed and ever ready to worship and conjure with a new name.

Now Stillman was coupled in the papers and the gossip of the financial community with two other super-masters of money and credit. Stillman, Morgan and bewhiskered, slow-treading old

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George Baker, of the First National Bank, became the Big Three.

In a brief ten years, Stillman climbed to Olympian heights, downtown.

In his family life, however, another problem loomed.

The Stillman home was now an ornate, massive mansion at 9 East Seventy-second Street. As master of it, Stillman indulged to the full his fondness for pomp. Here he lived like a mediæval prince.

In his private apartments were roomy, glass-enclosed dressing closets containing hundreds of pairs of shoes, suits, gloves, ties. A barber came each morning to shave him. At breakfast, sometimes, he sent back to the kitchen dozens of eggs until four appeared boiled exactly to his taste. With the aid of a valet, he consumed an hour in dressing. He was especially vain of his small hands and feet. His sight was failing but he would not wear glasses.

The house was run with terrifying efficiency. Dinner was at eight, and exceedingly formal. In the dimly lighted dining-room, a footman behind

each chair, Stillman sat at the head of his table, grave, saturnine, silent. The printed menus we have already mentioned. The repast was a two-hour torture. The choicest foods and wines were served but the master himself ate little and took but an occasional sip. Unless there were guests the meal passed in a deadly stillness, broken only when the autocrat of the dinner table passed sarcastic comment upon the failure of the chef to meet his exacting requirements.

Into this frigid atmosphere, in 1901, came the banker's first daughter-in-law, Anne Urquhart Potter Stillman, bride of the oldest son, James A. Stillman.

There are human beings who are chemical opposites, who could not weld or mix if they were cast away for life on a desert island.

Such conflicting, opposing natures were those of James Stillman and his daughter-in-law. In that year of 1901, these two strong individuals began a duel that ended only at Stillman's death in 1918. They were each afraid of the other and, strange to say, both admitted it freely. What compromises, what appearances of toleration

they were able to assume were born of this fear.

In James Stillman, Anne U. Stillman, for the first time in her twenty-two years, met a man who stripped away her surface artifices and whose pulse did not beat one iota faster because of her extraordinary magnetism.

In his son's wife, Stillman, for the first time in his fifty-one years, met a woman with an inner core and a power of will as adamant as his own. On the surface she was full of tricks and feminine wiles and bits of emotionalism appealing to most men. Beneath was a vein of good, hard Scotch practicality.

"Fifi", as Anne U. Stillman's chums called her, was a flashing brunette and already a society legend.

When she was seven, her mother, Cora Brown Potter, had had the courage to shake herself loose from an unpleasant marriage and go upon the stage. The mother was a sinuous, uncurbed beauty with classic profile and a glory of Titian-tinted hair. She won triumphs in Europe and America, enjoying substantial favors of the Prince of Wales, later Edward VII, and usurping

the peculiar position in the London social whirl occupied by Mrs. Langtry before the Jersey Lily's memorable affair with the millionaire sportsman, Squire Abington Baird.

Though Anne U. Stillman's mother plays little or no part in the Stillman drama, her life is interesting to note both in its influence upon and contrast with that of her daughter.

Born in New Orleans, Cora Brown Potter was the daughter of Col. David Urquhart, of Scotch descent, and Augusta Slocomb, beautiful daughter of a retired local hardware merchant. The Urquhart family motto was: "The Roaming Fancy, the Spirit That Knows No Rest."

Like many Southern families after the Civil War, the Urquhart fortune was at low ebb in 1877 when young James Brown Potter, of New York, came to New Orleans for the Mardi Gras and met Cora Urquhart, who, though still in her teens, had won acclaim for her recitations in French and English. Following a brief courtship, the two were married that spring at the Urquhart plantation, Marydale, at Natchez, on the Mississippi.

Jim Potter's father, Howard, was a member of the banking firm of Brown Brothers. His uncle was the famous Episcopal Bishop, Henry Codman Potter. The family was staid, conservative and not lacking in snobbery. The portly Bishop was an arbiter of society and Gotham was sometimes humorously referred to as "Potter's Field". The Bishop once raised a mighty furor when he opened a saloon on New York's lower East Side so that men might enjoy sociable drinking in an Elevating Atmosphere. Spotlessly clean, the café was decorated with uplifting pictures instead of the customary saloon photographs of buxom young ladies in tights, muscular heroes of the prize ring and thoroughbred horses. Horrified dowagers wrote letters to the papers and to the Bishop demanding withdrawal of his patronage and prompt suppression of the place. The Bishop stood his ground while crowds of the curious lined the bar. However, alas and alack, curiosity soon was satisfied and the neighborhood devotees of Bacchus returned to their former rowdy surroundings. When the good Bishop, at a ripe old age, married a wealthy widow, Mrs.

Alfred Corning Clark, the following conundrum became exceedingly popular: Q. Why did Bishop Potter at seventy wed a rich widow? A. Because he fell in love with the widow's mite and she fell in love with the Bishop's mitre.

However, the young Mr. and Mrs. James Potter found marital bliss of short duration. On the very day of their marriage, they quarreled over some trifle on the train going north and Cora, raising the window, threw her wedding ring into the night.

The ten years that followed were tempestuous. In New York, Cora Potter became a popular society belle, the most sought after woman in Ward McAllister's coterie and a petted guest of the Vanderbilts, Astors, Whitneys. She was a familiar figure on the box of Pierre Lorillard's four-in-hand and loved to dance all night. She took part in amateur theatricals and created a tremendous sensation by reciting "'Ostler Joe" in Washington at a party in the home of William C. Whitney, Secretary of the Treasury.

The birth of her only child, Anne, in 1879, did not curb Cora's desire to find wider outlet.

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The child was a replica of her mother and used to follow her from room to room, imitating the mother's every gesture. Engaging as was little Fifi, her arrival did not heal the breach between her parents. In fact, Cora's quarrels with her husband and his family became more frequent. She referred to the august Bishop Potter as "nothing but fuss and feathers".

In the fall of 1886, Mrs. Potter went abroad with little Fifi and a few months later wrote her husband of her intention to go upon the stage professionally. Refusing further letters of credit, she wrote: "I am an artist now and can manage my own artistic work myself. I have made up my mind to do what is nearest my heart. We are not now living in the dark ages, when wives were slaves. P. S. How I hate your family."

For the next two decades, Mrs. Brown Potter, as she billed herself, toured the world with varying success. Her leading man was the well known matinée idol, Kyrle Bellew. They played *Camille*, *Lady of Lyons*, *Romeo and Juliet*, etc. She made her American debut in New York as Cleopatra and, in the last act, tore the silk

fleshing, which constituted the greater part of her bodice, down across her breast and placed the poisonous asp upon her bosom. White and set, Jim Potter watched from the back of the house.

From time to time, little Fifi barnstormed with her mother, scurrying up stage alleys in the latter's wake, enduring long railroad jumps, waiting and sleeping in drafty dressing rooms or drab hotels. The experience bit deep into the child's mind and created an antipathy to the stage that has lasted to this day. Otherwise, who knows but that she herself might have become a greater actress than her mother?

Attempts at reconciliation proving futile, James Potter took custody of his child. The mother made no protest. Finally, in 1900, he obtained a divorce in Rhode Island on the ground of desertion. He re-married and lived until 1922. Mrs. Brown Potter, now seventy-six, lives in a villa at Beaulieu, on the French Riviera, amusing herself with East Indian and Greek philosophy and the numerical theories of Pythagoras. She has no regret over the course her life has taken.

Meanwhile, little Fifi grew up tall, straight and beautiful. She was fun-loving, vivacious and soon became a society pet at Tuxedo, Newport and New York. A splendid horsewoman, fencer and billiards-, tennis- and squash-player, she was original to the point of eccentricity. She made her debut at eighteen and suitors immediately began clogging up the Potter parlor.

In the fall of 1899, Col. Oliver Payne, Standard Oil millionaire, entertained a party of guests on his yacht during the races for the America's cup between the *Columbia* and Sir Thomas Lip-ton's *Shamrock I*. When the Payne boat put in at the New York Yacht Club pier, one of the guests, young James A. Stillman, missed his overcoat. He found that a debonair young miss, Fifi Potter, was using it as a rug.

They laughed and chatted. Stillman had noticed Fifi in Newport, in fact, who could overlook her? But this was their first meeting. He was struck with her beauty and flashing wit and the long and short of it was—young Stillman fell in love.

Since his graduation in 1896 from Harvard,

where he had been a fair oarsman and baseball pitcher, Stillman had been in his father's bank. At present he was an assistant cashier. A pleasant enough young chap, with no particular force or talent, his most potent recommendation might appear to be that he was heir apparent to an immense fortune.

The courtship progressed. James Stillman heard of it and sent for his son, saying: "I think you'd better take a vacation and go out to Wyoming on a hunting trip." Young Jamie went. Then, for the first time in his life, Jamie did a daring thing.

Fifi Potter was in Mexico with her father who was trying to rehabilitate his shattered fortune. Jamie Stillman, breaking all rules of his docile past, traveled as fast as he could from Wyoming to Mexico and proposed. Fifi's father favored the match but she refused, for the time being. An unfortunate incident changed her decision.

One of New York's better-known society dowagers had her eye on "that Potter girl" as playmate for her son, a high-stepping rake. She accordingly invited Fifi to a party. When Fifi

arrived she found herself alone with the son, whose overtures were a bit more direct than subtle. Outraged, she fled and rushed madly to young Stillman. This time she said "yes".

Convinced that his son was in earnest in his choice of a bride, James Stillman decided not to interfere further. Jamie and Fifi were married at Grace Church on June 3, 1901. The wedding was unusually brilliant in its show and the richness of the presents. The bridegroom's gift was a diamond tiara with an emerald centre. The elder Stillman's gift was a rope of magnificent pearls, and there was a profusion of gold and silver plate.

The dramatic note of the occasion, however, was furnished by Fifi herself.

Not only was her bridal veil draped in startling new fashion, being drawn tightly to reveal the shape of the head, but in her hand, instead of the conventional bouquet or prayer book, Fifi (Mrs. James A. Stillman) waved a white ostrich fan—emblem of frivolity.

Indeed, there was a newcomer in the citadel of the Stillmans.

CHAPTER EIGHT

CONFLICT

RECALLING THE FIRST IMPRESSION OF HER NEW home, Anne Stillman was later to remark: "It seemed to me we had everything in that house except the Mad Hatter."

With her plumed wedding fan, Fifi felt she was waving farewell to freedom for, during her engagement, she had met her prospective father-in-law. Those meetings had left her with no illusion as to what her place would be in the Stillman household.

As best she could she had steeled herself. But all her preparations were as nothing when faced daily with the deadly discipline and absolute dominion of James Stillman. Nor did she dream that a kindred soul had ever found herself in a similar situation, for the name Sarah Rumrill was never spoken.

Stillman's mother, Elizabeth Goodrich Still-

man, went her own way. She accepted her son's munificent gifts and remained in Cornwall most of the year. In her absence Anne Stillman, under normal circumstances, should have been first lady of the house. However, this was never her position. To the elder Stillman his domestic establishment was just another important department of his bank. Its manager, responsible solely to him, was Mrs. Hunt, the housekeeper.

His daughter Isabel was nearest his heart. She had inherited many of her father's characteristics, including his clear, cold eyes and straight, thin lips. He consulted with her freely. The rumor runs that Isabel one evening was called into the library where her father and William Rockefeller, having decided to cement their business relations by combining their clans in bonds of blood, asked her whether she would prefer to wed Brother William's older son, William G., or his younger, Percy A. It is said that Isabel, in her matter-of-fact way, selected the tall, good-looking and good-humored Percy.

However true the story may be, Isabel married Percy, and her sister Elsie, who resembled the

mother, fell heir to William G. Elsie tried in vain to wean William G. from his bibulous habits and her health broke under the strain.

Isabel, however, still attempts to robe Percy in his father's mantle, but with no sign of success. Isabel, 'tis said, is a hard taskmistress. Indeed, "Pa", as his Racquet Club friends call Percy, is often to be found on the hunt for a restful spot where a fellow may puff his pipe, as the smell of tobacco is simply not tolerated at home.

Meanwhile, the second Stillman son, Charles Chauncey, came down with typhus in 1896 while at Harvard. He fell in love with his nurse, Mary Wight, daughter of a jeweler in Maine. James Stillman interposed and forced Charlie to finish his two remaining years at Harvard. Charlie's devotion to Mary never diminished. Upon the completion of his course, Harriman gave him a job in San Francisco on the Southern Pacific Railroad and it was not until five years later that his father finally surrendered and Mary Wight became the second Stillman daughter-in-law. They were married in a tiny, out-of-the-

way Episcopal church in Augusta, Maine, James Stillman himself honoring the occasion. A few weeks later the new Mrs. Chauncey Stillman was formally presented at a reception by her sister-in-law, Mrs. William G. Rockefeller. The former nurse shook the gloved hands of Mrs. J. P. Morgan, Mrs. John D. Rockefeller, Sr., Mrs. Russell Sage, Mrs. E. H. Harriman, Mrs. George Gould and other queens-regnant of 1903 society.

As an outcome of his son's illness, James Stillman later endowed an infirmary at Harvard. The tradition at Harvard is that, because of young Charles Stillman's romance, only old and ugly nurses are employed at the Stillman Infirmary! The young gentlemen at Cambridge are very fond of such witticisms.

Except for expensive experiments in breeding Morgan cavalry horses, Charles Chauncey did little to bring him into public notice. Mary Wight presented him with three children and died in the fall of 1925, after being bed-ridden for five years with paralysis. By singular fate, the rôles in which they first met were reversed,

and it was Charles Chauncey who nursed his wife during her last years.

The third Stillman son, Ernest Goodrich, was not yet twenty when Anne Stillman entered the family. Ernest became a doctor, married the girl of his choice, and for a while was engrossed in pneumonia research work at the Rockefeller Institute. Eventually he retired to Cornwall where he chases fires instead of germs. Ernest became a town character and is now honorary chief of the local fire department. Between blazes he experiments with the mating of rare fish.

The Stillman tribe, for the most part, was intact during the early days of Fifi's marriage to James A. She tried to accommodate herself to the new environment, taking her lesser place at the table and enduring the long, silent and perfectly prepared meals. The reality became far, far worse than anything she had imagined. Her every movement was circumscribed; there seemed to be no end of rules and regulations. Strive as she would, she could not subdue in herself that rebellious spark inherited, perhaps, from her mother.

Late one afternoon Fifi twisted a wreath of

flowers about her coppery hair, donned a short skirt, and rushed madly from the East Seventy-second Street mansion. Slim and girlish, looking like a sixteen-year-old tomboy, she dashed into Central Park and joined a rollicking crowd of school children who were skating, playing tag and tossing rubber balls about. She had a glorious romp. The sun set and the moon rose over the sheepfold.

She returned too tardy for the usual late dinner but bathed and donned a spangled gown of gold and silver that displayed her figure to perfection. Then she awaited the summons she knew was certain to come. Eventually Jamie entered with long, frightened face and stuttered: "Fa—a-a-ther wants to see you in his den."

James Stillman's "den", a roomy apartment perhaps twenty feet square, adjoined his bedroom. It was one flight down. His daughter-in-law accomplished the distance with beating heart.

Neither ever forgot that interview. James Stillman turned his fearsome eyes upon his son's wife and asked her why she had not appeared at

dinner. He added that her conduct of late had seemed erratic, and asked the reason. Her presence filled the room. Trembling inside, but calm without, giving back look for look, Anne Stillman told her father-in-law that she was carrying his first grandchild.

Then, perhaps for the first time in his life, James Stillman showed embarrassment. Color flooded his dark cheeks and he cut short the interview.

During the months that followed Fifi was queen of the Stillman household. She bore a girl, named for herself, Anne, now the wife of young Henry Davison, junior partner in the Morgan firm. Within two years came another child, James Stillman II, the lad known to the world as Bud.

Whether it was the attention accorded her during these periods or the advantages of motherhood, Fifi now felt more certain of herself and was less awed by the elder Stillman. She persuaded him that her husband, as head of a family, should have an establishment of his own. James Stillman agreed, handsomely. He pur-

chased for the young couple a 340-acre tract in the Pocantico Hills of Westchester County, New York, adjoining the estate of John D. Rockefeller, and financed the construction of a thirty-five room Swiss chalet. The place was called Mondanne.

The experiment, James Stillman soon found, was expensive.

His daughter-in-law had ideas of her own about landscaping and other improvements—the bills were sent to him. He paid them cheerfully until one afternoon when he dropped in to view a new terrace of bricks upon which a small army of workmen was engaged.

The men were placing the bricks point upward. James Stillman watched the operation quizzically, then observed: "Children, would it not be a good deal cheaper to have the bricks placed flat? Why do you have them point up?"

"For no reason in the world, father," suddenly blazed his daughter-in-law, as one touched upon a tender spot, "except they are more beautiful that way!"

Stillman looked at her coldly and, thereafter, tightened the purse strings.

With Fifi's regained confidence came also a realization of Jamie's limitations. Perhaps the years passed in the East Seventy-second Street mansion had sapped her patience, for now she made no effort to conceal her annoyance with her husband. Always a belle at social affairs, she would, when surrounded with witty and noted men, make him the target of shooting barbs. These humiliations smouldered in him and were to bear terrible fruit.

Fifi's extravagances, her total disregard for obligations, offended the elder James Stillman's incorrigible passion for order and exactitude.

A famous portrait painter furnishes an illuminating episode:

He had been commissioned to make two studies in oil of little Anne Stillman. After much palaver and many changes, the portraits had been completed, pronounced satisfactory and tenderly borne away to the Pocantico estate.

Payment was long, long overdue before the artist, pressed for funds, dropped a note of re-

minder to Anne U. Stillman. "My, my," she answered in effect, "I am surprised that you have not received payment for those lovely portraits. Please take the matter up at once with my husband. James A., you know, attends to all financial details."

With some hesitation, the artist wrote to Jamie and received a pained reply: "Old Man: Your portraits are splendid. One hangs in the main hall, the other in the reception room. Thought you had received your check long ago. The matter is in my wife's hands. Please get in touch with her."

And so for months it went, battledore and shuttlecock.

Finally one evening, in the home of a mutual acquaintance, the artist encountered the elder Stillman. He drew the reserved banker aside and, without mentioning names, stated the case. Stillman strongly advised placing the matter immediately in the hands of a lawyer. The artist could not resist the temptation to remark:

"Mr. Stillman, it may interest you to learn

that those who owe this money are your son and his wife."

Stillman drew back as though a dagger had been thrust in him.

Early the next morning a messenger arrived at the artist's studio with a check in full payment, signed in a small-lettered, rather quaint script: "James Stillman."

Meanwhile, young James A. had progressed to the position of a junior vice-president of his father's bank. It seemed as if this were as far as he would go, for marriage had not helped Jamie to become a better banker. Indeed, the strong personality of his wife, added to that of his father, tended to push the young man further and further from the place they both wished him to occupy.

Even today, James A., now a man of sixty, refers to the Old Gentleman as the arbiter of all things mundane and, though his wife has divorced him and remarried, he still leans upon her and requests her counsel and advice. He makes no move of importance without consulting her.

However, the elder James Stillman was more concerned over his first vice-president than his son. He was forced to recognize, after five years of trial, that Jamie could never fill his boots. His discerning eye lit upon an individual of tougher fibre, a farmer's son, Frank Arthur Vanderlip.

According to Mr. Vanderlip:

"With no indication of the purpose, early in 1901, I was invited by Mr. Stillman to dine with him at his home in New York. I was then Assistant Secretary of the Treasury, under Mr. Gage, and had known Mr. Stillman but casually. I shall never forget that meal. There were four at table: Mr. Stillman, his daughter, Miss Isabel, a woman friend of his daughter, and myself. Dinner passed in absolute silence, except for an occasional comment from one of the young ladies. Several times I volunteered remarks but they drew no response. So I, too, remained silent.

"After dinner Mr. Stillman ushered me into the library. We seated ourselves and smoked. After a few minutes he began to talk. He talked freely and without restraint, analyzing the fac-

tors, the forces and the men that controlled the banking interests in New York, which, of course, meant the nation. He was so lucid and frank, I was completely bowled over.

"Soon the butler announced Mr. John Sterling. Mr. Sterling bustled in and I was introduced to him. We chatted for a moment or two upon inconsequential matters, then Stillman and Sterling withdrew into the hall. Stillman soon returned, alone, and asked me whether I would leave my post in Washington and become first vice-president of the National City Bank, at a salary that was to be determined according to my needs. I accepted."

Thus began an alliance that was to prove not only fateful for the City Bank but for the United States and the world at large.

With that astonishing insight that was his, James Stillman recognized in Vanderlip an ideal instrument for translating into reality the grandiose Stillman-Sterling dreams. Vanderlip must become a great force in American finance. The subsequent manœuvres are fascinating.

Vanderlip was given a desk on the platform,

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while Stillman retired, in lonely grandeur, to an inner office, where he continued, spider-fashion, to strengthen the web of the National City Bank.

In 1902 the bank's capital was increased to \$25,000,000 and the surplus to \$15,000,000. The institution thus had \$40,000,000 working capital of its own without taking into account one penny of its deposits. Its resources were marshalled in three formations, as a general might line up three lines of shock troops: first, a forty per cent gold reserve; second, \$40,000,000 in gilt-edged loans that could be called within an hour; third, \$20,000,000 in bonds. No other bank in the country could even approach a position so unassailable.

Stillman had made strong banking connections abroad, establishing a lucrative business in foreign exchange. Also, he had raised a great army of corresponding banks throughout the United States.

The Czar of the National City knit together an astonishing confederacy of capitalists who realized, as he did, that America was ready to

burst beyond national boundaries. The latest recruit was Henry Clay Frick, who, having broken with Andrew Carnegie, was seeking new pasturage for his millions. He came to Stillman. The two meshed perfectly. Together they turned a dozen deals—to common advantage, it is unnecessary to add.

Frick was as uncommunicative and as hostile to public attention as was Stillman. One time the two were in conference when a certain financial writer begged a word as to their opinion of the business situation. James and Henry Clay kept the gentleman waiting an hour and then sent out this card:

The U. S. A. is a great and growing country.

(signed) Jas. Stillman

H. C. Frick

This is confidential and not for publication unless names are omitted.

This was about as much humor as Stillman—"Sunny Jim", a witty Morgan partner dubbed him—was ever known to display.

At this time Stillman was a director in no

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fewer than fifty-four great corporations. He continued to be Harriman's chief motivator.

The difference between Harriman and Stillman, baldly stated, was that the one (Harriman) was a creator, the other (Stillman) lived on created values. Yet Harriman could not have gone on creating values and fortunes for himself and others without the assistance of Stillman and his group.

As Harriman reached for the stars and pulled them into his lap, he quite lost his head. Between twinges and attacks of biliousness, he dreamed of a globe-girdling railroad empire with himself as Emperor. Some of the Little Wonder's plans thoroughly alarmed even those hardened old dollar-warriors, William Rockefeller, Jacob Schiff, H. H. Rogers and Henry Frick. They relied upon Stillman to keep Harriman's feet fairly close to earth.

Stillman's task was difficult but he performed it successfully save in one or two instances.

A public reaction against Wall Street and Capital had set in during the Roosevelt administration. Though Theodore Roosevelt, by birth

and breeding, was of the monied class, he was always alert to social currents, and loved a fight. The Colonel determined to attempt, for the first time, honest enforcement of the old Sherman Anti-Trust Law. Also, he compelled Congress to grant real power to the Interstate Commerce Commission, created in 1887. Armed with these weapons, T. R. set out to war on the Kings of Capital.

As his first foeman, he selected the biggest of them all, Pierpont Morgan, and forced the dissolution of the latter's gigantic Northern Securities Company.

The battle was on—the end of which is not yet—a battle which another Roosevelt, dramatically enough, has been fated to continue.

James Stillman sat in his sheltered sanctum and surveyed the situation with microscopic eye. He saw what Roosevelt saw, but from a different perspective. He was alarmed by the public's growing resentment against further concentration of wealth and power. He saw forming forces social, economic, moral—forces that might end the era he and his mates found so lush.

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Labor he saw growing in power through use of the very methods he and his associates employed: organization and consolidation. His millions, indeed, most great American fortunes of the period, were founded in railroad investments and speculation. No longer, Stillman realized, would trans-continental railroads be built through millions and millions of acres of virgin land donated by the Government.

In his recognition of the growing gravity of the situation, James Stillman was keener than any other financial leader of his time.

As the storm gathered, he saw but one course of action: to protect his holdings and escape. The autocrat of the City Bank had, by now, accumulated a personal fortune of almost \$50,000,000; his investments alone yielded him over \$5,000,000 a year.

At this psychological moment, Harriman's head touched the sky.

The wizard of the rails had piled up assets in the Union Pacific treasury to such an extent that he decided to boost the dividend rate from six to ten per cent. Like a small boy hovering

about a treasure chest, he kept his scheme secret. Stillman, however, heard rumors and, one August afternoon in 1906, dropped in at Harriman's office.

"Sure, I've raised the rate!" exclaimed Harriman, gleefully. "I am going to announce it tomorrow."

Stillman's face lengthened.

"Good Lord, Harriman," he ejaculated, "don't you realize the stock will boom and you will be accused of having manipulated the dividend rate for speculative purposes? I beg of you, make the announcement at once."

"No, I won't," replied Harriman, flatly. "I don't want London to reap the only benefit," and, calling in a secretary, he issued instructions for the news to be flashed upon the New York Stock Exchange ticker and given to the press at nine o'clock the next morning.

Stillman carried the word back to his group. Opposition to Harriman's inopportune coup did not prevent them from buying U. P. The stock quickly appreciated \$35 a share.

Then the storm broke.

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Harriman and the entire Union Pacific group were drenched with criticism. While the uproar was at its height, Stillman told Harriman that his action in raising the dividend rate so precipitately had waved a red flag, unnecessarily, in the face of public opinion. The latter got his dander up and offered to resign from the board of the City Bank. This was more than Stillman had bargained. The banker needed Harriman and needed him badly. He wrote a soothing letter to the City Bank's tireless little dividend-producer. The letter appears in George Kennan's biography of Harriman:

New York, August 21, 1906.

Dear Mr. Harriman:

The impression you gathered from our informal conversation last Sunday evening, as expressed in your note of today, is entirely erroneous. I do not believe that the criticisms leveled against all of us by the press are provoked, by any means, by you alone. It is because we are prominent, and because this or that newspaper, as the case may be, is hostile to the large interests with which we are identified that gives reason for the onslaughts against us.

It is quite immaterial which one of us is singled out at any particular time; the rest of us get the same treatment at other times. If newspaper attacks on prominent men governed their qualifications as directors, corporations would be weakly organized. You are too valuable a director and too much esteemed by your co-directors to permit of the course proposed by your letter. Accordingly I return your resignation and beg you to tear it up and not think any more about the matter.

Sincerely yours,
James Stillman.

Harriman willingly accepted Stillman's brotherly admonition and thought no more of the matter.

Theodore Roosevelt was of different mind.

With his singular flair for the dramatic, Roosevelt picked a quarrel with Harriman and had the Interstate Commerce Commission drag the latter before the bar of public opinion. The Roosevelt-Harriman imbroglio, now historic, has no place in these pages. It originated in a very trivial difference over Harriman's contributions to Republican party campaign funds.

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T. R. played good politics, as usual, catching a rising swell of public approbation. The previous fall (1905) a committee of the New York Legislature, with a serious young Baptist elder, Charles Evans Hughes, as counsel, had exposed shocking misuse of insurance company funds in Wall Street speculation, participation in syndicate operations, etc. Morgan, Harriman, Stillman, in fact, all the high gods of high finance, were involved, directly or indirectly.

Roosevelt, having already attacked the Morgan group in the Northern Securities suit, now saw an opportunity to ride full-tilt against the Harriman-Stillman-Standard Oil coalition. So, egged on by the President, the Interstate Commerce Commission leapt to the attack.

The Commission's hearings, highly dramatic, brought to a climax the muckraking era. The investigators published a scathing report, asserting that Harriman and his associates, including Stillman, had "gutted and crippled and looted" the Chicago & Alton Railroad. They also denounced the same group's sky-rocketing financial tactics with the Union Pacific system.

The Commission held open sessions, filled with pyrotechnics. For days Harriman sat in the witness chair in a large courtroom on the third floor of the old Post Office Building in New York and evoked roars of laughter from the crowded room. He represented the defiant, sinful Master of Capital in the flesh.

In answer to direct, searching questions, with a contemptuous toss of hand or head, and without once troubling to gaze at his cross-examiner, Frank B. Kellogg, later known as "Trust-Buster" Kellogg, Harriman repeatedly would remark: "Oh, that's immaterial. It is of no importance. Let's get on." This off-hand manner of dealing with sums in seven figures dazed the public.

Commissioner Franklin Lane brought out the fact that the Union Pacific had just spent \$130,000,000 in acquiring stocks of competitive railroads and asked Harriman where his policy of acquisition was to end. Harriman replied: "I would go on with it. If I thought we could realize something more than we have got from those investments, I would go on and buy some more

things."

Lane: "And your power, which you have, would greatly increase as you took one road after another, so that you might spread not only over the Pacific Coast, but spread over the Atlantic Coast?"

Harriman: "Yes."

Harriman seemed oblivious of the extraordinary element in some of his transactions. His lawyer, William Nelson Cromwell, at one stage of the proceedings, stated blandly: "Mr. Harriman moves in a realm high above the comprehension of ordinary men."

Throughout the investigation, the name of James Stillman threaded in and out of the testimony. Yet the little mystery man of the City Bank never testified.

The press, the public, officials, even directors of the bank began to ask: Where is Stillman?

To their amazement, it was learned that the president of the National City Bank had sailed quietly for Europe under an assumed name and was now settled in Paris for an indefinite stay "upon the advice of his physician".

CHAPTER NINE

THE RETREAT

IN PARIS JAMES STILLMAN LEASED A SOMBRE, imposing, grey stone mansion at 19 Rue Rembrandt, overlooking the lovely little Parc Monceau, and settled into a life nicely regimented and free of friction.

As the months passed a growing sense of satisfaction pervaded him. The easier tempo of European existence relaxed and soothed. Motoring along the green countryside, strolling about the boulevards, sipping a drop of wine, tasting and testing delectable dishes prepared by master French chefs, Wall Street seemed a million miles away.

In the new environment, too, he found an outlet for that artistic appreciation dormant in him since childhood. Nowhere in the world has the sense of beauty and color in line been so developed in feminine wearing apparel as in Paris.

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Stillman returned from lone shopping excursions thrilled with the gowns, hats and other fineries he had purchased for the women members of his family. These adventures at the couturiers became so entrancing that soon his closets and trunks were filled with a wardrobe sufficient for six or seven Stillman families.

Sometimes he slipped into the art galleries and was quite aghast at the prices asked and received. But he bought no paintings, for, as he later explained: "When tempted to buy, I always found myself mentally calculating on the back of the canvas what the interest on the money would amount to at six per cent." Money and its meaning was indelibly stamped upon Stillman's mind.

He also took advantage of his European stay to meet leading financiers, to study their business and banking methods and to familiarize himself with political conditions, even the political intrigues, of foreign governments. Examining the basis of French, English and German success in foreign trade, he saw no reason why the United States should not come out of its commercial isolation and assume a similar posi-

tion under the leadership, say, of a powerful American bank such as the National City. Devising the proper technique of this tremendous project was constantly in his mind. This first long interlude away from business was to prove immensely fruitful.

Not for an instant during these months in Paris was Stillman out of touch with the bank. Daily, he received and sent letters and cables in code. Nothing escaped him and no decision, however trivial, was made at 52 Wall Street without his approval.

Late in 1906, Stillman's trained eye detected signs of weakness in the world's credit structure. The money market tightened, stock values began slowly to crumble. With a sigh, Stillman saw that he must, in person, return to The Game. Sterling and Stillman's new viceroy, Vanderlip, assuring him the flurry of government investigation was over, Stillman sailed for New York.

He came back to a shaky and frightened Wall Street.

With that uncanny prevision that was his, he set about providing against the stormy time he

saw ahead—the panic of 1907. Rifling through the bank's portfolio, he called in doubtful loans. His associates saw in operation a master credit-man.

Smoking his tiny cigar, toying perhaps with the emerald seal ring upon his finger, he would sit, detached as a creature from another planet, pronouncing sentence upon pale, trembling men. Some were leaders in the world of commerce until they passed into Stillman's presence to discover that he knew the strength or weakness of their financial positions, down to the very penny, better than they themselves. From her small adjoining outer office, Stillman's secretary, Miss Breadon, witnessed scenes she remembered to her dying day.

Men, pompous, confident, blustering, swaggered into the banker's sanctum. Many were old clients, whose firms had dealt with the City Bank for generations. Now they found themselves embarrassed and in need of cash advances, extension of notes, backing in floating new bond issues. Of course Old Gibraltar—the City Bank—would see them through.

Old Gibraltar did—if they had ample assets and liquid resources which they could sign over. Some of the bank's debtors could meet the requirements. Those who could not found Stillman inexorable, cold, utterly ruthless. They squirmed in his vise and left his presence cursing or crushed.

Now and again there might be a rare exception. Perhaps Mr. Blank merely scratched his head in a manner which John Sterling, Stillman's single adviser, considered highly significant. That evening, when the two cronies habitually met, Sterling might say: "Blank is all right, Stillman. Did you notice, when you talked with him to-day, the slow and thoughtful way he scratched his head? I'd extend his loan." These Stillman-Sterling colloquies, if transcribed, would appear as strange as Ouija board disclosures. Next day, Mr. Blank would leave the City Bank with buoyant step.

The panic of 1907 was an awesome spectacle.

Less crafty speculators, following the trail blazed by Stillman, Morgan and other "constructive" promoters, had milked the public dry.

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Morgan, Stillman and their associates mixed enough sand in their watered stocks and bonds to give cohesion to the whole. Their imitators were not so far-sighted. They had roped the public into all sorts of hare-brained schemes. The difference between the two schools was merely in degree. Morality entered into the situation not at all.

Stillman and Morgan capitalized their promotions merely twice over, perhaps, calculating that the productive and consuming capacity of the country would soon make their gambles successful. Usually they reasoned rightly. When they were wrong the public held the bag.

One contributing element in the panic of 1907 was the banking situation in New York:

National banks were required by Federal law to keep a minimum of twenty-five per cent of their deposits on hand in cash. The larger national banks, including the City Bank, found a way to burrow under the legal barrier by establishing or buying into trust companies, just as later they were to create affiliates and subsidiaries.

The trust companies were independent of the Federal restrictions and free to do just about as they pleased. They were licensed by the State, which allowed them to loan or invest ninety-five per cent of their funds. The success or failure of such organizations depended then, as they still do, upon management. Stillman, Morgan, George F. Baker and a few others recognized this essential, and saw to it that trust companies in which they were interested were well managed.

But, like Ali Baba, they were followed by forty thieves.

The forty spoiled the game.

Charles W. Morse, inventor of "chain banking", was one. Chain banking was a simple and audacious scheme of employing stock of one enterprise as collateral upon which to borrow money for the purchase of another. Morse and a group of gamblers poured funds under their control in the Mercantile National Bank, the Knickerbocker Trust Company and other depositories, into a series of wild ventures. Men of Morse's type, of course, were able to operate only

because of the loose legal restrictions placed upon the misnamed "trust" companies. By 1907 many "scab" trust companies had entered the banking field, and these forced the low-interest-paying national banks into second place as depositories.

Simultaneously, the public, already alarmed by the insurance scandals, the Harriman disclosures and other revelations of crookedness in mighty corporate enterprises, began to hang on to its cash, instead of buying stocks and bonds. Within a few months, almost \$300,000,000 actually disappeared from circulation. By a slow, inexorable draining process five billion dollars of values were wiped from stock exchange prices.

Nothing was needed save a fuse-light to set off a resounding explosion.

This came on Wednesday, October 16, when the Mercantile National Bank applied for help to the other banks of the Clearing House. Stillman had just been succeeded as chairman of the Clearing House Committee by James Woodward. The two, working in harmony, announced that the Mercantile would be given aid pending investigation. An investigation disclosed that the

Mercantile was deeply involved in copper gambling, along with other banks of the Morse-F. Augustus Heintze chain: the New Amsterdam, the Bank of North America and the Knickerbocker Trust Company.

Morse and Heintze resigned under pressure and it seemed as if the worst were over. But the drama was only beginning. It was discovered that the Knickerbocker Trust Company had been gutted of ready cash through secret loans granted to Morse by Charles T. Barney, the Knickerbocker's president. Barney was forced out and A. Foster Higgins elected in his place.

Higgins appointed a new executive committee which met on Monday, October 21. The tone of the meeting was hopeful. The new directors could not believe that the Clearing House would precipitate a panic by permitting failure of a bank with seventeen thousand depositors and deposit liabilities of \$35,000,000.

They did not know that Stillman, Morgan and Thomas Fortune Ryan, alarmed over the decline in their own holdings, had marked the Knickerbocker for slaughter.

While the committee meeting was still in progress, late that afternoon, word came over the telephone that the National Bank of Commerce, controlled by Morgan and Ryan, refused to clear further checks for the Knickerbocker. That was the death knell. Amid riotous scenes, the Knickerbocker closed its doors before noon next day, October 22.

A fortnight of horror followed. Long lines of frightened depositors thronged the paying tellers' windows of every trust company in New York. The National Bank of America was next to go under. Terror swept the Street and flowed in widening waves over the country.

Morgan, with Stillman at his elbow, took command. Rivalry was forgotten in the crisis. Secretary of the Treasury Cortelyou came to New York and deposited millions of Government funds in the National City and other banks. These funds, in turn, were doled out by Stillman and Morgan to the hard-pressed trust companies. Cortelyou's calm capacity so impressed Stillman that afterward he and William Rocke-

feller made Cortelyou president of the Consolidated Gas Company.

Those who passed through that panic will never forget its scenes of terror and tension.

One afternoon a group of men sat in a bank board room, listening to a long, dreary legal report. The eminently respectable, eminently dull, eminently high-priced attorney frowned when the telephone interrupted.

"The man who answered the telephone turned white," recalls Frank Vanderlip. "He whispered to the man next him: 'Barney has just killed himself.' It passed about the room. All of us knew Barney and most of us liked him. But, so great was the pressure of those days, that we just sat there mechanically and listened while the lawyer continued to drone his report."

Morgan and Stillman, as leaders of the two predominating groups of capitalists in America, directed the fight against the panic.

Night after night they summoned their satellites to the treasure-laden Morgan library, in East Thirty-sixth Street, and devised ways and means to Straighten Out the Situation. Straight-

ening out the situation meant protection of the Standard Oil-Morgan promotions, without undermining the entire structure that the two great groups had laboriously built up.

Late one night, while the awed press and frantic public awaited with bated breath news of a certain momentous conference in the Library, Pierpontifex Maximus fell asleep. And, as he gently snoozed, Stillman and the other "associates" sat quietly and waited until the Boss of Bosses awakened. Then the meeting continued.

Fateful decisions were made in those night conferences in the Morgan library, decisions that are now financial history. Morgan took Tennessee Coal & Iron for his tottering Steel Trust and bluffed President Roosevelt into bestowing his blessing upon the coup.

Stillman was the Iago in a dozen epochal transactions.

He bent to Morgan's will, apparently, and yet, in reality, Morgan jumped through his hoop. Morgan wanted to crush the weaker trust companies, to treat them as parasites. Stillman, with the Standard Oil billion back of him, persuaded

Morgan to eliminate merely a few. Then Stillman, providentially, provided a haven for former depositors in these liquidated institutions—namely, the National City Bank!

In that panic year, alone among the country's great institutions, National City enjoyed huge growth. Its deposits jumped from \$178,715,000 to \$263,003,000; its total resources from \$267,719,000 to \$322,861,000.

Even the mighty Morgan bowed before so impressive a record. Already one Morgan partner, Robert Bacon, was on the City Bank board. Now another, George W. Perkins, became a second link between the two overshadowing financial groups.

George Washington Perkins was an able and likeable human being. "I began life as a grocery clerk sorting lemons," he used to remark, waggishly, "and I've been doing it ever since."

After the usual Tuesday meetings of the City Bank's board of directors, Morgan eagerly awaited Perkins' report as to what "that Standard Oil crowd is up to now". Sometimes Perkins would escort two or three of the City Bank men,

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perhaps Stillman, Frick or William Rockefeller, into Morgan's office for a chat and a smoke with the Chief. It amused the erstwhile grocery clerk enormously to witness their coughing attempts to negotiate Morgan's big, black cigars. Perkins never lost his sense of humor. He would hum or whistle softly when Stillman went into one of his deep silences, yet did it so engagingly that one could not be angry.

After the panic of 1907, the dove of peace fluttered and clucked in Wall Street. The Masters of Capital realized that they must stand shoulder to shoulder, else the public, wielding a much more dangerous Big Stick than Roosevelt, would jump into the ring and grind them to pulp.

In those awful months of 1907, James Stillman broke physically and nervously. He became irascible and harsh. No one escaped the lash of his wrath. Headaches plagued him constantly. At intervals he felt constrictive pains about the heart, which he dismissed as passing attacks of indigestion.

One day a visiting Cleveland banker, Myron C. Herrick, afterward America's war-time Ambassador to France, was shocked at the cold ferocity with which Stillman, in his presence, berated a City Bank official for a more or less minor error. Herrick was so outraged at the brutality of the outburst that he told Stillman: "You have no right to treat another human being so. The most charitable thing I can think is that you are on the verge of a nervous breakdown, and have no business to be in your office."

Stillman, tapping upon his desk with a pencil, turned so demoniacal a countenance upon Herrick that the latter fled.

The incident, however, convinced Stillman that he must yield to another the detailed management of his bank. He had, though, no intention of giving up one jot of his power. A way out he had already prepared.

Frank Vanderlip had proved himself to be an ideal second-in-command, and Vanderlip's broad shoulders appeared equal to added responsibilities. He was able, intelligent, a tremendous worker and appreciative of opportunities put in

his way. Further, Stillman saw approaching an era in which Vanderlip's personal qualities would serve the bank well.

Vanderlip, though he lacked the technical training of a banker, was a matchless publicist. He enjoyed meeting people and making speeches. So great was Stillman's own horror of publicity that he requested proprietors of the newspapers to omit his name even from the formal lists of those present at social functions.

By the only method possible—that of dollar returns—Vanderlip converted Stillman to the idea of dignified publicity for the bank.

Early in their association and without informing Stillman, Vanderlip, returning from Europe, contributed three articles to *Scribner's Magazine* on "The Invasion of Europe by American Capital." Then, with some trepidation, he awaited Stillman's comment. Weeks passed. Not a word. The articles received wide notice and were reprinted in foreign languages.

Vanderlip, promoted now to a desk in the inner sanctum, waited anxiously. Finally one morning Stillman remarked: "Those articles of

yours seem to have made quite a stir. It has been suggested that we issue them in pamphlet form and send them to our clients." Vanderlip was, of course, delighted.

Soon after, Stillman asked Vanderlip to accompany him to the Majestic Hotel, in New York, to call upon a visiting Japanese dignitary. The Nipponese, in native costume, was poring over a long roll of script in Japanese characters. The script contained Vanderlip's articles. Stillman seemed as pleased as punch.

However, in the elevator, his mood changed. Vanderlip volunteered a trivial remark in which he mentioned the name of the City Bank. Stillman placed a finger upon his lips and looked significantly toward the elevator operator. "Vanderlip," he cautioned when they had reached the street, "please don't *ever* mention the bank's business before a third party."

Stillman's furtiveness, his air of mystery both annoyed and interested Vanderlip. Once Stillman rebuked his favorite for penciling a memorandum upon engraved stationery when a scratch pad would have served as well. Stillman himself

kept a drawer of his desk filled with bits of blank paper which he carefully cut with his pocket knife and preserved for future use.

Such traits puzzled Vanderlip even when he discovered that his mentor was just as meticulous in matters involving millions as in those concerning mills. And the supernal patience of the man! One time, passing the Union League Club, Stillman remarked: "Vanderlip, you ought to join that club." Vanderlip answered: "But I have been told it requires six years before an application for membership reaches the board of governors."

Stillman regarded the younger man quizzically, then queried drily:

"What of that?"

As he watched him operate, a vast awe and admiration of Stillman grew up in Vanderlip. He saw the little man bend the most forceful figures in their world to his will; saw him hold up a warning finger to Harriman and Rogers and Frick and William Rockefeller, and they lent heed; saw him mold his bank into the greatest instrument of power the country had ever

known. And Frank Vanderlip, the Illinois farmer's son, blessed the fate that linked his destiny with that of Stillman. "I would no more have thought of keeping anything from that man than defying God Almighty," says Vanderlip.

Also, there is ample evidence that Vanderlip stirred in Stillman a chord that no son of his own had ever touched. Even before the panic of 1907, it was generally known that Stillman had selected Vanderlip as his titular successor. All ranks and grades of City Bank employees—there were almost a thousand now—whispered to each other: "When *He* gets out, Mr. Vanderlip will be the boss."

A situation so obvious did not, of course, escape Stillman's eldest son and his wife. As Vanderlip's star rose, Jamie's set. Jamie and his wife, the former Fifi Potter, had taken it for granted that he would be his father's understudy. Naturally, they were chagrined when the senior Stillman placed Vanderlip in authority.

A veteran of those days recalls the first clash between Vanderlip and James A. Stillman:

"A clerk made a mistake, in a quotation on

foreign exchange, that cost the bank a few dollars. James A., who had no particular title so far as I can remember, ordered the amount deducted from the clerk's salary. The clerk appealed to Mr. Vanderlip who was executive vice-president and in actual charge of the bank in the absence of the senior Stillman. Mr. Vanderlip went to young Mr. Stillman's desk and asked: 'Jimmy, if this mistake had resulted in a gain for the bank, would you have given the profit to the clerk?' Young Mr. Stillman hemmed and hawed and Vanderlip said: 'Well, let's forget it. No penalty.' "

The incident, of course, reached James Stillman, man of a thousand ears, and perhaps strengthened his intention of choosing Vanderlip rather than his son to carry out his policies.

In the summer of 1908, James Stillman sailed away to beckoning Paris. He set no date for his return.

If all went well, he told the ambitious Vanderlip, the following year would see Vanderlip president of the bank and himself chairman of the board and president emeritus. Vanderlip, of

course, knew that he was still on trial. He was to send Stillman daily cables in code and a weekly letter summarizing *everything* that had happened at the bank.

Then began a remarkable correspondence that continued, with intervals, for eleven years. Vanderlip's communications were all in the form of letters and cables. On matters of importance, particularly during the World War, Stillman sent men across the ocean with verbal messages. The messengers were quick-witted, nimble young men who would commit to memory James Stillman's exact phrases and transmit them to a confidential secretary in New York. By this method, nothing was placed on paper which might fall into the hands of business rivals or inquisitive censors.

That summer of 1908, Stillman renewed for three years his lease upon the Rue Rembrandt establishment and, at last, felt himself free of the nerve-wracking strain of Wall Street.

President Roosevelt had selected the easy-going, jolly William Howard Taft as his successor and the powers that were calculated they

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could work as well with "Dear Will" as they had with the martyred Major McKinley. They were disappointed occasionally, but not often.

From the Wall Street point of view, any change from the turbulent, unbridled Roosevelt was a change for the better.

This was Stillman's thought in a message from Paris to Vanderlip a few days before the election of 1908:

"It seems to me that what the country needs is rest from the kind of things that have been going on for a year or more, and I hope Mr. Taft will be elected and be able to give it. Then I look for a development such as we have never experienced, because in every way it will be on sounder lines. I believe I see a new era of the greatest possibility, especially in banking."

Taft won handily.

Now it was full speed ahead for the money masters.

CHAPTER TEN

THE WORLD SCHEME

JAMES STILLMAN'S VISION OF A FITTING SHRINE for his bank glowed into life on December 21, 1908, when the National City opened business in a sumptuous new setting on the block bounded by Wall, William, Hanover Streets and Exchange Place.

"The tendency when moving into larger and more commodious quarters, whether in a corporation or a family, is inevitably toward, if not extravagance, the incurring of greater expense," Stillman cautioned his protégé, Vanderlip, earlier in the month from Paris. "Keep down expenses all you can and keep the new building from spoiling the clerical force and giving them false notions."

Back in 1904 Stillman had sent for Stanford White, the noted architect. He told White of his purchase some five years previous of the old

Customs House and asked the latter's advice in making the building suitable and, even more, impressive for the bank's occupancy. Mr. White, who was able to keep his tongue strictly within his cheek while bowing with courtly grace to a client's judgment, suggested, since the rambling old Customs House was possessed of an Ionic colonnade, that the interior might be modeled upon that of the Pantheon in Rome. Lightly sketching the history of the Pantheon from its conception by Agrippa a few decades before Christ, he explained how easily Stillman's site could be made to conform.

Stillman was entranced. A monumental type of structure had been in his mind right along. No sooner had Mr. White left than he called in William A. Simonson, one of his vice-presidents, and instructed him to go to Rome and make a detailed report upon the Pantheon. Simonson, who had joined the bank as a clerk in 1896 to be elected a vice-president in 1901, had never been to Europe. He traveled to Italy and was overwhelmed by what he saw. He was particularly impressed by the interior lighting of the old

Roman temple, lighting derived solely from an open circle, some twenty-eight feet in diameter, topped by a many-paned dome. The general circular plan was continued with large alternating rectangular and semi-circular niches, the entablature of which was supported by Corinthian columns.

Preparations were suspended by the untimely mortal death of Stanford White. It was not until 1907 that the squat old Customs House underwent its reglorification under direction of the architectural firm of which Stanford White had been a member—McKim, Mead & White. The original Ionic colonnade on Wall Street was preserved but heightened four stories by a superimposed office structure with a Corinthian colonnade. The effect was massive and magnificent.

The Pantheon reproduction, with certain necessary modifications, was adopted for the interior.

Rising like an altar in the centre of the main banking floor was a square white marble box. Light from the huge glass dome fell full upon it, while the ecclesiastical effect was further em-

phasized by two giant illuminated fixtures, resembling thuribles, which depended from the niched ceiling at either side.

A temple to Mammon, indeed, for the dominating white marble sarcophagus was none other than the resting place of GOLD—the National City's vault. Bold as seemed the gesture of placing this holy of holies in open view, the vault was not as defenceless as it seemed. For a single thumb pressure could (and can) envelope it in jets of hissing steam, against which no living creature could contend.

This edifice, which today still houses the National City Bank, has no parallel, quite, either in the Old or the New World. To Stillman it was a symbol of the power he had builded for almost two decades, a living proof of his genius. "I feel," he told Vanderlip, "that we have erected a superb monument and what can be built upon it surpasses much more than you and I have ever dreamed of."

One wonders whether, in that oft-referred to Hereafter, the author of this buoyant thought has recently been troubled with nightmare.

However, Stillman, on December 21, 1908, was unable to forsake his establishment in Paris to be present at the long-looked-forward-to opening of the new building. His daughter Elsie was visiting him and her state of health prevented him coming to America. His inability to be present, he informed Vanderlip, was one of the "great disappointments of my life", and he added more words of caution: "Let us go slowly and surely. We have got a very big task requiring all that is in us for the bank solely. Divided thought and interest will not succeed in the future. Old methods and ways are a thing of the past. No one knows it, theoretically, better than Harriman. The possibilities of development are tremendous with the development of the country, which I think is recognized more fully here than at home."

On January 12, 1909, Vanderlip won his spurs and became president of the bank. Stillman became chairman of the board. The chairman, of course, was still all powerful through stock ownership. Though it would seem that Stillman had retired actively from the bank both by his

ceding of the presidency and his continued sojourn in Paris, such was not the case. Instead, he disassociated himself from one outside business interest after another that he might focus undivided attention upon the National City Bank and in a capacity far more influential than a mere "counselor", as he always termed himself to Vanderlip. A month after the latter had become president, Stillman took Vanderlip to his bosom in the following confidential message:

"I have had a most interesting time with J. P. Morgan. Told him if he, Baker and I did not concentrate everything on you, Marston and Davison and place you all in a commanding position permanently, practically at all events during the lives of our sons by their stock ownership, we would miss the greatest opportunity of our lives. He believes it and is in the most thorough accord. If we all live for a few years more I think great things will be accomplished on these lines."

While not missing a trick in the great game of international finance, and foregoing all business activities except those which pertained

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solely to his bank, Stillman continued to enjoy the more relaxed and leisurely life he found in Paris. An American woman, Mrs. White, took efficient charge of his Rue Rembrandt ménage; she was aided by a Swiss couple, a French chef and an extensive staff of French servants. While delighting in the palatable dishes of his French chef, Stillman, like many another American in a foreign land, longed for some of the plainer foods Like Mother Used to Make. He planned that some day he would have a house with two kitchens, one presided over by a French chef, the other by a New England cook. This was one dream of Stillman's that never reached fruition.

However, Stillman did travel in two cars. He loved motor tours, and would sit beside the chauffeur directing the route and speed. Behind always followed a second perfectly appointed Stillman car—just in case of accident.

No matter where he was, on the French, or Italian Rivas, the Pyrenees, or the Alps, Stillman kept in touch with the bank. He worked out an elaborate code system for cables and letters. Vanderlip, who continued to send him a

weekly report of the most minute happenings in the affairs of the bank, found the code system hampered his frank and easy style of expression. While using it in cables, he continued his habit of dictating the weekly letters to a secretary. This shocked Stillman no little, but finally he realized that Vanderlip's duties at the bank might suffer for time required to code his reports, which often were ten thousand words or more in length. So, after much correspondence, a compromise was agreed upon: Vanderlip was to dictate the letters, providing he left out proper names, key phrases and the like. These must be filled in by Vanderlip himself, in code.

Always of a circuitous nature, Stillman took further precautions. He changed his code frequently, communicated through Sterling, with whom he had still a different code and, on very important matters, sent over personal messengers, as we have before mentioned.

However, sometimes one gets entangled in one's own meshes. Once Vanderlip cabled asking the whereabouts of a chauffeur he desired to employ, a chauffeur attached to a Paris agency. In

the code, the chauffeur's name was almost identical with that of a partner in Morgan, Harjes & Company. Stillman chased the Morgan partner by cable and telegraph all over Europe, evasively, then communicated again with Vanderlip only to learn that the real subject of all the furor was to be located around the corner from the Rue Rembrandt.

There was reason for Stillman's extreme secrecy. He was preparing to extend the City Bank's power over the earth and fully recognized that this ambition would draw him into the web of international commercial intrigue and espionage. His subtle nature derived pleasure at the prospect of matching wits with the financial diplomats of Europe.

To the Rue Rembrandt came business associates and members of his family to visit him. Among the latter were his mother, his spinster sisters, Clara, Isabel and Bessie, and his daughters and his sons with their wives. Fifi breezed through his Paris mansion and shuddered at the drab carpets, and presto—new rugs of bright hues were laid over night.

Another daughter-in-law, Mildred Whitney Stillman, of more complaisant temperament, came with his son Ernest on their honeymoon in the summer of 1911. She was twenty and wide-eyed and very adorable. Recounting her impressions of this visit to Anna Robeson Burr, in the latter's *Portrait of a Banker*, we quote the following excerpts: "He [Stillman] spent our first evening in Paris dilating on the charming qualities of the French race, and advising us how to meet them. 'A French servant,' he said, 'would rather have a pleasant word than a piece of silver. They make a grace of living and value graciousness in others. But no one should come to France until they are sixty,' he added. 'It is too hard to leave.' "

She continues with a description of a visit to Beaufresne, the home of Mary Cassatt, the noted American painter:

Her old brick house had originally been a hunting lodge, belonging to some chateau—one of those delightful rambling buildings with more picturesqueness than convenience. I remember especially a sort of long, glassed room, like a sur-

porch, and the lovely pond with willows hanging into the very water, beside which many of her pictures were painted. As those who know her work know, Miss Cassatt usually painted out of doors in bright sunlight. Much of her best work was done at Beaufresne, where the models were neighboring peasant women and their children. Critics have sometimes objected to the homely faces of her women. But as Miss Cassatt wrote to me later when I sent her a photograph of my first baby: "Most mothers with nurses do not know how to hold their children." This great painter of maternity wanted the rhythm of the constantly curving arm—the constantly bending back. She found it in those French women of the soil, and stooping over their firm-bodied children.

Miss Cassatt herself was tall and gaunt, dressed in a shirt waist and black skirt. But her strong face and her rapid intelligent conversation gave me little time to notice externals. We had delicious curried chicken for lunch, a *specialité de la maison*, and looking forward to my first house-keeping I asked for the recipe. Miss Cassatt expressed surprise that I was interested in cooking, and then I received one of the only two direct compliments my father-in-law ever gave me.

After all it was chiefly negative. "She isn't a spoiled New York girl," he said.

Miss Cassatt wished to paint Mr. Stillman's portrait and I wish that he had given her the opportunity. I do not know that she ever had painted a man, but she knew her old friend, and knew what expressions to watch for in his often mask-like face. Kaulbach, who is said to have told the Kaiser that "he painted men, not buttons", did make a fairly good portrait of James Stillman the banker—but I think Miss Cassatt would have painted the father and the friend.

Miss Cassatt was heart and soul a modern. She abhorred the sentimental. She prevented Mr. Stillman from buying two small heads of Greuze, with their pastoral sweetness; and when I mentioned the beauty of Mme. Vigée le Brun, she dismissed her with this comment: "She painted herself."

Mr. Stillman's great recreation was touring. . . . In the cities, he would plan our sightseeing and then busy himself with his interminable cables. Late in the day he loved to stroll through the shops. No woman ever enjoyed shopping more than he. In Paris, he picked out an opera coat for me which still hangs in my closet, after fifteen years, because though impossibly out of

style now, the colors are so lovely, I have never been willing to part with it. He also bought us our table linen, considering the designs for the monograms as seriously as if they had been state papers.

Mary Cassatt was of a noted Scotch-American family, dominant in Pennsylvania. Her brother, Alexander J. Cassatt, was president of the Pennsylvania Railroad.

Under tutelage of this friend, Stillman lost that timidity he had formerly experienced in the art galleries. Admiring Miss Cassatt's work as much as he did her vigorous opinions, he purchased several of her paintings. Before long he had annexed a collection of Gainsboroughs, Ingreses, Murillos, Moronis, Rembrandts and Titiens. As a connoisseur of painting, he practised the art with that thoroughness with which he went into every speculation. Thoroughly shocked at Morgan's manner of buying anything and everything that pleased him regardless of price, and fearful of the fate that other Americans of means had met in spending huge sums for practically valueless works, he calculated to a penny

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the worth of each picture in which he invested. A canvas would hang on his wall for days before he would decide to purchase it, meanwhile determining its value from a dozen or more "scouts", whose judgment he respected.

Nor in his artistic galavantings did the American banker neglect the couturiers. Afternoons often found him in a large chamber of his house, which he had transformed into a private fashion salon. Here he would sit for hours, wrapt in contemplation of the latest creations of the noted Parisian maisons. Worth was a favorite. Here the famous couturiers brought for his inspection hats, gowns and lingerie by the gross. These were paraded before his eyes by beautiful selected mannikins. While Stillman's purchases were extensive, the couturiers admired, too, his subtle sense of color. He once sighed, dreamily, that he would like to have been a fashion designer.

In Europe Stillman encountered other American personages besides his family.

"Mr. Morgan I see a great deal of," he reported to Vanderlip on May 29, 1909. "He is very happy and most cordial. In London I saw

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Mr. Schiff and he seemed to be very friendly, although I thought he was troubled about something when I met him here a few weeks ago, but he had no opportunity to unburden himself, as I was leaving the day following with Mr. Rockefeller for England. Frick, Sloane and countless others have I met, it seems as if most of one's acquaintances were on this side. Schiff professed the greatest admiration and friendliness for the City Bank, said its position was not only unique but established. Everyone says nice things about it and you, which of course pleases me greatly. Money will probably rule very easy all summer but it will harden up over night sometime and, as I cabled you, I think it is time to begin reducing our bond holdings quite freely, even if we lose on interest account for a few months, as we probably will. With higher rates for money, they will not advance, and may decline a little. On the other hand, with higher money rates, caused by increased business, stocks will advance and sometime within a year I expect to see record prices made."

Early in June he reported a visit from Harri-

man, neither dreaming that within a few months the Little Wonder would be dead:

"Harriman, who arrived yesterday, looking very much better than I expected to see him (in fact, I think his color is better than it has been for some years), has been begging me hard to stay here with him, but I told him nothing but a matter of life and death would keep me from returning now. So I hope to sail on the *Lusitania* June 19th and spend the 24th and 25th with you, then a week with Sterling at Grand Metis and return to N. Y."

Grand Metis was the fishing preserve of Lord Mountstephen, in Quebec Province, Canada, where Sterling repaired for a month each summer. Here Stillman, yearly, during most of his European sojourn, came to join his confidant. Sterling always brought along a trusted secretary and, no matter how arduous the day's sport, completed current work before retiring. In these secluded surroundings he and Stillman could talk, certain of privacy. Save for the carefully winnowed list of guests, no one, during these incog-

nito visits, knew that the overlord of the City Bank was in the western world.

The two friends were mutually amused over each other's foibles. Sterling grimaced broadly when he learned Stillman had gone in for collecting art. Stillman was no little amused when his son Jamie, who sometimes joined them, told him that Sterling had purchased an automobile but would not permit the chauffeur to exceed the legal limit of speed in New York City of fifteen miles an hour. Hence the exasperated driver, the moment he had deposited Sterling at his Fifth Avenue door, would speed merrily off at a fifty mile an hour pace!

Young Jamie was so delighted with Canadian life that he purchased a great tract on the St. Maurice River, near Grand Anse, Quebec, later to prove the setting for his own domestic tragedy.

On these vacation jaunts to Canada, the elder Stillman came and went silently. He seemed to take a feline pleasure in making a mystery of his movements, as in some super game of solitaire.

Once, having accepted an invitation to the

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studio in Rue du Val, Paris, of Rudolph Evans, a young American sculptor in whose work Stillman was interested and with whom he was very friendly, a messenger arrived at the appointed hour with a brief note from the banker regretting his inability to be presented "because I am detained on business". No more, no less. The next day Evans learned that Stillman had sailed from Cherbourg for America!

Despite his European diversions, Stillman's dominant ambition was centered upon extension of the City Bank—more power.

In February, 1910, the great Bank of Commerce came under control of a Morgan-Ryan & City Bank coalition. Stillman expressed his pleasure in a message to Vanderlip from Cannes, February 16, 1910:

Your telegram of yesterday was quite a surprise, for while I expected any day to hear of some important change in the Commerce, I hardly hoped that friends of ours would be those who would be influential in its management. I think it is splendid, and so cabled you to advise Mr. Morgan and his son. At last you should be

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able to get the larger banking interests to adopt conservative and businesslike methods in a broad cooperative manner, and stop the unbusinesslike and unprofitable methods that have been practiced among others of doing so much without remuneration and meeting the terms of small institutions for fear of losing business. It is quite natural that you should feel that we should have been advised earlier, but when you come to think of it, it was probably decided upon quite suddenly owing to Mr. Morgan's departure and it's his way of doing things. I have no feeling on the matter whatever, and hope in your surprise you did not convey an impression that you regarded the matter unfavorably.

That is the reason I cabled you as I did as to seeing Mr. Morgan and his son before the former sailed, for I think you will realize how absolutely essential it is for the bank, but also for yourself, to keep on not only cooperative relations with those gentlemen and Davison, but really most friendly and cordial ones, seeing them socially as well as in a business way, to the extent even of overlooking much if necessary. I believe this is a splendid thing for us if handled wisely and I believe you will do it.

Vanderlip did. He also managed a deal by

which the City Bank, Morgan & Company, and George F. Baker, of the First National obtained control of the Equitable and Mutual Life Insurance Companies. This transaction gave the Big Three power over additional hundreds of millions of assets.

During this period Stillman was always dreaming and scheming of ways, means and methods of enlarging legally the scope of his bank. He wanted the City Bank to lead the country out of financial provincialism and to become, without appearing to be such, a great central institution like the old United States Bank, which incidentally was destroyed by Andrew Jackson at the command of the people.

The chief obstacle to foreign expansion was that the City Bank's authority and powers were strictly limited by the national banking act.

These legal limitations vexed Stillman. He talked things over in Paris with United States Senator Nelson Winthrop Aldrich, perhaps the most influential of Republican Senators and an authority upon fiscal questions. Aldrich had launched his notable career as a page boy in the

Rhode Island state legislature and died worth many millions. He was the bell-wether of the G. O. P. standpatters. His daughter married John D. Rockefeller, Jr. His son, Winthrop W. Aldrich, is now seeking to purge the Rockefeller-controlled Chase National Bank of the stains acquired in that pre-1929 period which the Chams of Wall Street are now pleased to denominate as the Great American Madness.

However, in 1910, Stillman was chiefly interested in enlisting Senator Aldrich's great talents in an effort to permit the City Bank to operate around the globe.

Aldrich played a Barkis rôle, judging from a message from Rue Rembrandt to Vanderlip, October 4, 1910:

I have just had a long conference with Aldrich. He is very keen to get to work on banking and currency revision, regretted you and Davison could not come here this summer to talk the matter over carefully with him when you would have had plenty of time and been free from interruptions. I told him this was essential, but that it could be accomplished by getting you both down to Warwick [Aldrich's Rhode

Island home] without anyone's knowing of it and to ask you for a week. He said he would do so and I think he will. Then I think you should make everything else subservient to giving your whole time and thought to a thorough consideration of the subject. He really believes he can accomplish more by being out of the Senate than in and place this matter on a non-partisan basis. What I am afraid of is a possibility of the banks not being as well off as they are at present, and think from now on you and Davison want to follow the matter very closely and keep in close touch with him. He believes in some sort of centralization, but offers no particular method.

Stillman worked out a method of his own. Rather, John W. Sterling worked it out for him. This was the creation of an affiliated company, under control of the bank, which, chartered by the State of New York, could exercise functions prohibited to the parent bank. This piece of slickery never could be defended morally but was within the law, as interpreted twenty years ago. In brief, this is what happened:

The National City Bank declared a forty per cent dividend on its \$25,000,000 capital stock.

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The payment of the dividend was made contingent upon its assignment to three trustees who were to organize and hold in trust all of the voting stock of a company to be called the National City Company. The charter of the affiliate required that the trustees be officers of the bank. Under its grant from the State, the National City Company was empowered to embark in almost any business whatever.

Thus, at one stroke, Stillman brushed aside restrictions under which the bank had operated for forty-seven years and obtained blanket license to extend its activities *ad infinitum*.

And thus was laid the groundwork for one of the most devastating financial catastrophies in history.

Theodore Roosevelt was in Africa when the City Company was organized.

His stout, friendly successor, William H. Taft, worried over this latest evidence of Wall Street aggression. He instructed his Attorney-General, George W. Wickersham, and his Solicitor-General, Frederick W. Lehmann, to look into the matter. The complaisant Wickersham, who had

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waxed wealthy practising corporation law in New York, saw nothing alarming in the creation of the National City Company. However, Mr. Lehmann's report was blistering:

"Only the absolute unity and identity of interest between the two institutions would afford moral excuse for the fusion of their powers under one control. But that excuse cannot justify the transgressions of the positive mandate of the National Banking Act, which, from considerations of public interest, has determined that national banking shall be a business apart, to be conducted by institutions organized for that purpose and no other."

The Solicitor-General pointed out that, at the time of his opinion, November, 1911, the National City Company "had made investments in the shares of sixteen banks and trust companies and approximately \$3,200,000 in other companies of different character. The National City Company may extend its power to the full control of all the banks into which it has made entrance. Nor need it stop with these. As it grows by what it feeds upon, it may expand into a

great central bank with branches in every section of the country. It is, in its incipient stage, a holding company of banks, with added power to hold whatever else it may find to be to its advantage."

The Solicitor-General held that "as to the bank" the agreement with the affiliate "violates the law, in its details, because it impairs and limits the right of transfer of shares and because it assumes to bind the bank beyond the possibility of release by the majority action of its shareholders and directors, and its general plan and scope, because it embarks the bank in business and ventures beyond its corporate powers."

In conclusion he declared:

"Here the National City Company is not simply to control banks, but it may engage in any business whatever, even that forbidden by its charter, if, despite its charter prohibition as to certain kinds of business, it may invest in the stocks of companies conducting such business. The other enterprises in which the company is engaged may stand in need of credit and of funds, and it is too much to expect that the com-

pany's banks will deal simply with banks, equitably and impartially, as between its own subsidiaries and persons and corporations with whom it is not affiliated.

"The temptation to the speculative use of the funds of the banks at opportune times will prove to be irresistible. Examples are recent and significant of the peril to a bank incident to the dual and diverse interests of its officers and directors. If many enterprises and many banks are bought and bound together in the nexus of a great holding corporation, the failure of one may involve all in a common disaster. And, if the plan should prosper, it would mean a union of power in the same hands over industry, commerce and finance, with a resulting power over public affairs, which was the gravamen of objection to the United States Bank.

"I conclude the National City Company in its holding of national bank stocks is in usurpation of Federal authority and in violation of Federal laws."

Frederick W. Lehmann's report was withheld for twenty-one years! It finally made its belated

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appearance on February 24, 1933, at a hearing before a Senate banking investigation.

The Lehmann opinion was pigeonholed by Attorney-General Wickersham, with the concurrence of President Taft. The force behind the suppression was James Stillman!

One Sunday afternoon in the autumn of 1911, two prominent New York bankers, F. A. Vanderlip and H. P. Davison, visited the White House. President Taft was suffering from a cold and received his visitors squatted in a low arm-chair in his dressing robe, newspapers strewn about him. Despite his snuffles and watery eyes, Mr. Taft was his usual jovial self.

The bankers convinced Taft that the City Company and similar affiliates which other large banks were forming were vitally necessary to expand American capital into all parts of the earth.

Thus, under official sanction, was launched the tremendous experiment which poured billions upon billions of American capital into foreign enterprises.

To Stillman, to Vanderlip and to their eager

imitators, it seemed that their plan of thwarting the National Banking Act would work. It did—for a time.

Meanwhile, Stillman in Europe and Vanderlip in New York built up an irresistible financial machine. The National City, bank and company, was ready to lead the way into the markets of the world.

The bank's directorate contained the names of the wealthiest and most influential bankers, merchants and industrialists in America, including: J. Ogden Armour, of Armour & Co., the great meat-packers; Cleveland H. Dodge, of Phelps, Dodge & Company, the international metal corporation; Henry C. Frick; Joseph P. Grace, of W. R. Grace & Company, shippers and international merchants; Robert S. Lovett, chairman of the Union Pacific Railroad; Cyrus H. McCormick, president of the International Harvester Company; J. P. Morgan, the younger; William Rockefeller; Jacob H. Schiff; Moses Taylor, of Kean, Taylor & Co., grandson of Stillman's predecessor; Frank Trumbull, chairman of the Chesapeake & Ohio Railroad; Edwin

S. Marston, president of the Farmers' Loan & Trust Company; William D. Sloane, son-in-law of William H. Vanderbilt; James A. Stillman and, of course, James Stillman, Sterling and Vanderlip.

As the Taft administration neared its closing year, Stillman paid a flying visit to America and found that things were changing. In one of their periodical moods of political morality, the American people were taking flight from standpatism. Even old line Republicans were turning from Taft toward Roosevelt, while Democrats and independents looked hopefully toward a square-jawed Scotch Presbyterian, Woodrow Wilson, who was Governor of New Jersey.

Wilson was spoken of quite freely as the possible Democratic nominee for the presidency. The Democratic candidate, in view of the Roosevelt-Taft quarrel, was almost certain of election. Hence watchful men of large interests began casting an eye upon this putative President. So, one week-end, in the spring of 1912, Woodrow Wilson, former president of Princeton University, was invited to Beechwood, the

lovely estate of Frank A. Vanderlip, president of the National City Bank, at Scarborough-on-Hudson.

At dinner the guests were Mr. Wilson, James Stillman and William Rockefeller. Wilson was in a gay mood and told stories by the dozen. "I have never heard a man relate an anecdote with more fascination," recalls Mrs. Vanderlip.

After dinner the ladies retired and the men—Wilson, Vanderlip, Stillman and Brother William—repaired to the lawn for coffee and cigars. Below the budding sward flowed the Hudson. Wilson kept his eyes fastened upon the river. The other gentlemen kept their eyes on him. After a pause, Vanderlip and William Rockefeller talked of the possibility of American capital capturing foreign markets. Stillman listened. Wilson listened.

Vanderlip and William Rockefeller waxed eloquent upon the glory of American trade penetrating remote countries. They held that the Government, as a patriotic duty, should place no restrictions in the path of pioneering capital.

Still Wilson listened, his cold grey eyes sweeping the river.

Eventually the women reappeared, interrupting the Vanderlip-Rockefeller duet. Then Stillman, making certain he was unnoticed, caught Vanderlip's eye. Forming unuttered words with his lips, he signalled his summation of Woodrow Wilson—"He is not a great man."

That question, it would seem, is still open to debate.

The meeting ended.

Wilson swept on into the Presidency and with him came the Federal Reserve Act.

The Reserve Act was the people's declaration of independence against the Wall Street money power. It came as a climax to the flame of revolt which, yearly, had burned more brightly since the first Roosevelt administration.

This revolt forced legal action by the Government against great aggregations of capital. The Government moved to dissolve the Standard Oil Company, the Steel Trust and half a dozen other huge combinations.

Even John D. Rockefeller, blinking in amaze-

ment, was forced to defend himself from the witness stand. H. H. Rogers, William Rockefeller, others closely allied to the City Bank, had to face the music—in person.

Late in 1912, the Pujo Congressional Committee had inquired into the power of the Money Trust. The Pujo hearings were managed, with extreme art, by a New York lawyer, Samuel Untermyer, who, accepting nothing as privileged, dragooned as witnesses leading Wall Street men: Pierpont Morgan, Jacob Schiff, Vanderlip, William Rockefeller, even stolid old George F. Baker.

The Pujo committee hearings revealed that a definite "community of interest" had been established among Morgan, Baker and James Stillman, under which the Big Three had acquired predominant power over banks, transportation systems, producing and trading corporations, huge public utilities, etc., having aggregate resources or capitalization of no less than \$22,245,000,000.

During all the turbulent litigation, all the

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tumbling cascade of facts, James Stillman, like an elusive germ, evaded the drag-net.

Motoring, collecting paintings and dresses, cautiously conferring with great figures upon the European stage, still he kept in touch with the pulse of American events through his interminable codes and cables and letters.

In the spring of 1914 clouds financial and political gathered over Europe, and Stillman foresaw a tragedy. "The situation is grave," he informed Vanderlip. "Money is closer than at any time since the Franco-Prussian war. The banks are over-invested and simply won't extend credit and are forcing merchants to pay. I am sailing between June 16th and 20th. Will only stop in New York a day, then hurry to Grand Metis. I am bringing dresses for your daughters, one a lovely shade of soft light pink and a beautiful shade of light green which looks blue at night."

Stillman was in the United States when Europe thundered into the war he had foreseen.

Now the belligerents would have to abandon, or greatly restrict, their foreign trade.

South America, the Orient, Africa would need

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money and manufactured goods. It was America's chance.

James Stillman was not one to neglect even a hell-sent opportunity.

CHAPTER ELEVEN

LEAVENING YEARS

WHILE MILLIONS OF YOUNG MEN IN EUROPE were being tagged for military service, James Stillman posted off, as fast as possible, to the world's money centre.

In London he was busier than any bee, holding closet conferences with leading financiers, high government officials, and other bosses of British affairs. In his mind was the single thought of guarding his interests and those of his bank. Never did his cold, clear brain operate to better advantage than in the febrile early days of the World War. He foresaw that the struggle would be a protracted death grapple and would exhaust the capital and energy and man-power of all belligerents.

From London, September 29, 1914, he marked *very confidential* a note to Frank Vanderlip:

"Since writing you yesterday I have heard of

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an open cablegram to Paish requesting his opinion as to the amount of U. S. securities held here, what amount he thought would be pressed for sale at the prices of the closing of the N. Y. Stock Exchange, or at ten points lower. I understand his estimate is four hundred millions. Paish is one of the chief financial advisers of the government at present. I should think great caution should be exercised in opening the N. Y. Stock Exchange, although I was told Mr. Baker, Sr., was of the opinion that Europe would be a large buyer of American securities, but my informant did not agree with him. This may and probably will be so to some extent a year or so from now, but until investors know what the requirements of their own countries may be, and the terms, I should doubt if they would invest now in our securities."

Three days later found him advising his American vis-à-vis:

"The war will soon be brought home to the United States very strongly. Naturally European nations will want payment of what the United States owes them and will demand pay-

ment in gold if possible. Do not believe otherwise, guide yourself accordingly. In view of this I should think it most unwise to think of opening the N. Y. Stock Exchange. Of course the U. S. merchants and bankers must and will pay their debts but, if much is owed in Europe, they will be put to their trumps and gold is trumps. It is not necessary for me to elaborate on this subject and its bearings and ramifications to you.

"But I want to say very positively this is probably the most important letter I have ever written to you, from my point of view, brief and casual as it may seem. Much as we flattered ourselves we comprehended the situation when I was in New York, none of us really yet know what this war will probably mean, nor what is now going on even. These things cannot be written and I may send some verbal messages to you. It is a time to keep as snug as possible and keep strictly neutral."

However, in the never-ending economic war there is no neutrality.

Stillman recognized that a splendid opportunity was at hand to seize foreign trade hitherto

controlled by the belligerents, particularly Germany's trade with South America. Vanderlip, Vice-President H. R. Eldridge and other City Bank men favored more impetuous action than their long-distance boss, who, as usual, moved with the protective caution of a cat crossing a puddle.

The first foreign branch of the bank was established at Buenos Aires, in Argentina, November 10, 1914.

The date is historic, for it was the beginning of a colossal commercial expansion that literally ringed the earth. Historic, too, in a sense, is a communication to Vanderlip from London, October 30, 1914:

The outlook seems to me more grave and complicated than at any time yet, and I am more and more convinced of what I have written repeatedly, no one can tell who will be able to pay their indebtedness in real money when it is done, even Governments. Please keep this in mind all the time to the fullest extent, and that all sorts of complications are apt to arise between countries not yet involved, including our own. . . . It's a war between at least three great nations almost

for their very existence and probably nothing but exhaustion will terminate it. The unpreparedness of some, the time and cost to become prepared, submarines and bombs floated in the high seas, create a very uncertain and complicated situation and outlook. Is it not wise, therefore, for those who can, to be very cautious to take as little risk as possible, even if it should turn out to be an unnecessary precaution in the end? I think so. So as to South America, let us go very slowly. It seems to me next summer would be early enough for Eldridge to think of going there, it would only be a waste of time as early as this winter, as our work there will not by that time be sufficiently under way for him to form much or any judgment. Then I think you need all the staff and assistance at home these trying times. In the multitude of counsel there is wisdom.

Safely sheltered, in that fall of 1914, but observing the holocaust at close range, strange and disturbing emotions gripped the soul of James Stillman. He began dimly to realize the glory and the grandeur of emotion. Amid a dreary procession of financial agenda, he bemoans the fate that keeps him from the side of "dear old Sterling" and of Vanderlip. "But then, what's the

good in dreaming if one cannot let one's dreams evaporate in speech and be blown away, or take form as the case may be." His letters often during this period displayed such passages of surprising descriptive power.

The dauntless spirit of the French appealed to him and he opened his purse strings to their war charities, later turning his home into a refuge for convalescent French officers. He was most liberal in his contributions, too, for the French war orphans. It had long been a habit with him, while motoring, particularly along the Riviera, to halt his great Mercedes at small villages and throw gay-colored candies to the children. These he purchased at wholesale and carried in a large zipper-style canvas bag. Soon the children got to recognize his car and would rush forward holding out their caps and aprons and crying in sweet-toothed excitement: "Papa Bon-Bon! Papa Bon-Bon!" His own children had never known him in this rôle.

Woe betide anyone, though, who imagined that Papa Bon-Bon was not alert to realities. One day Stillman asked the chauffeur if he had obeyed

an order to clean the car thoroughly. "Oui, oui, Monsieur", whereupon Stillman lifted the cushion from the chauffeur's seat, disclosing considerable dust—and a bill of large denomination. Into Papa Bon-Bon's wallet went the evidence of the man's carelessness!

Stillman's beloved French, however, irritated him beyond measure when they opened his mail and forced him to disclose his ciphers and codes. Thereafter his letters came by special arrangement in Herrick's ambassadorial pouch.

About this time he reported to the boys at 55 Wall Street the result of an interesting and instructive dinner conference with a wise old French banker, Rosselli, of the Credit Lyonnais, on the advisability of the National City Bank establishing more branches in South America:

His [Rosselli's] opinion of South American countries, branches there, and in fact the system of having branches generally, gave one a lot of food for thought. Certainly the difficulties are greater, and the profits proportionately much smaller, than concentrated banking in one's own country, if his experience is any criterion. One of

his remarks was that the ablest banker is one who knows how not to do business, meaning as he explained what kind not to do, and when to do as little as possible. As we all know, the greatest difficulty is obtaining the proper men. . . . Organization, Organization, with a system which will give the fullest attention to details, and the wisdom of careful and deliberate council in shaping policies, impresses me more and more as of vital importance to avoid making mistakes and insuring permanent success. It is the staying power that makes the home stretch count for the most in winning the goal, and as I listened to the old banker, the lines occurred to me: "Age has its advantages no less than youth itself, for as the evening twilight fades away, stars are seen which were invisible by day."

The evening twilight was fading away for James Stillman. The strain of the years that had passed since he stepped into Moses Taylor's place were too intense not to take their physical toll. Early in 1915 those twinges of pain about his heart became so severe that he could no longer ignore their implication. His letters and messages contain prophetic flashes and, at times, be-

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come mellow, affectionate and almost emotional. But always, when the sick man seemed about to lift his mask a little, he retreated, as though ashamed, to hide behind his life's ruling passions: money and power.

From Genoa, where he went after a slight heart attack, he wrote on February 3, 1915:

My impression has been for some years, as I think I have said to you, and with a peculiar presentiment which I cannot explain or shake off (as if a ghost or shadow was at one's side unable to be gotten rid of) that some serious trouble is in store for the United States. It is stronger today than ever, but I trust like a shadow it will fade away, though my waking dreams and intuitions regarding men and affairs have proven to be almost uncanny in their correctness, and I am always more or less influenced by them. If you should tell this to Lord John, with his logical mind he will think I am losing my senses, and very likely you may also. The insight into affairs, the number of men of importance I have met has been the most interesting experience of my life. They and what they have accomplished has been magnificent. It has been a great thing to have been alive at this pe-

riod of the World's History, except for the suffering. The brutality of that has been greater than any mention that has been made in the Press, and all of a certain nature committed by one side. The fact that it is not necessary to name which side has to me great significance, and I think must be to you as you have children of your own.

With the wise old banker who dined with us in Paris I have had many very interesting talks. It would take too long to repeat many of his observations but the following I think will interest you, viz: Banks' accepting is the most attractive, banks' accepting is the most dangerous, banks' accepting have caused more losses and trouble than any other form of business banks have transacted. He should know, and a word to the wise is sufficient.

I was very delighted to learn of Charlotte's improvement, not only for your sake and your wife's but her own. Her patient expression and delicate appearance last summer sank into my heart. So every night, in the half hour I have given for years to thinking over the events of the day, while probably mechanically playing patience, she has been one of those in my thoughts with wishes for her welfare.

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Beechwood as you know is home to me, and it seems at present almost as far off as Paradise, but I am getting my personal affairs in shape at considerable cost so as not to be even unjustly bothered by anyone, and be ready to fight, if not for my Mother Land, then for the country which has always been so full of sympathy and aid to the United States and kind to me personally. And it may become necessary in some form or other sooner than anyone suspects. If greed and materialism and unsatisfactory political methods exist to too great an extent it usually requires the shedding of blood to eliminate them.

Keep on good terms with J. P. Morgan. I have special reasons for writing this at this time, and am looking more for the future than the present. It's the home stretch that counts most in a race and that is what my mind is mostly on, not only for National City Bank (for which sentiment more than business profit counts most with me) but for you personally and myself. In another decade you will be entering the home stretch. I am now running it, and hope at the finish if not my efforts at least my interest in the Bank's welfare will be considered worthy to have my connection with it ended to the grand tones, in the Bank, of Siegfried's March sinking into the

hearts of those I loved and cared for, and who I hope did for me.

A few weeks later Stillman was motoring through the Alpes-Maritimes. He tossed out his candies with more than usual vigor and the children were duly appreciative of the largesse of good Papa Bon-Bon. In the car were only the chauffeur and Mrs. Christianson, wife of his European secretary. Suddenly Stillman reeled and his countenance became contorted with pain. He sank into his seat, clutched his heart with one hand and with the other reached for his keys, groaning to Mrs. Christianson: "Give these to your husband and no one else!" and became unconscious.

For weeks he was in the care of physicians and nurses. His life hung by a cobweb.

The next message to Vanderlip was dictated to his secretary from the beautiful Maurizian port of San Remo, Italy.

More than anything else a man's letters give one the feel and touch of the man himself. From this period on his letters are intensely interesting

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for Stillman the stoic, Stillman the man of steel, iron and gold is now forced to lean upon others. The San Remo letter is dated April 12, 1915:

I have been very ill and suffered terribly. I am now better and hope to go to the Swiss or Italian lakes in a few days, and later to Baden in Switzerland to take baths to strengthen my heart. . . . What a hit you have made of the South American business, you started it just at the crucial moment. I hope, however, that they will not lose their heads, but pursue a conservative policy and be on cooperative relations with those who are already established there and particularly the Baring outfit. Rich handled the Argentine loan which the bank placed in such an admirable manner in this respect, that I was tremendously gratified, not only with the whole transaction, but specially pleased with him.

I am convinced that in the long run nothing counts so much as being well thought of, considered cooperative and a good partner, and the way in which Rich ended up the negotiations and transactions in connection with the Argentine loan he handled, has changed a wrong impression at the start, into a most friendly and satisfactory one with the members of the South American Syndicate.

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It cannot be a great while before the Argentine notes will become due in London and I especially beg and request you to cooperate with the Syndicate in your big broad and intelligent way. I have this very much at heart, and for certain reasons in connection with the Morgan concern in London. . . . The great growth of the bank while extremely gratifying is not surprising to me. I expect to see it an institution with five hundred million dollars deposits and one hundred million dollars in capital and surplus before a great while.

In a brief note of May 10, 1915, from Lugano, Switzerland, the banker describes his condition in more detail:

The physicians . . . in the most emphatic manner state that until the muscles and nerves of the heart are stronger, I must on no account have any excitement or worry from any cause whatever, or the consequences may be serious. The result is, I do not see the newspapers and nothing of an unpleasant or exciting nature is allowed to come to my attention. . . . My relapse caused the heart to palpitate so rapidly that it fatigued and pulled me down considerably,

and although the physicians controlled it with powerful drugs, it was a question of four days, before I got over the attack. I am improving so rapidly according to the physicians, and greatly to their satisfaction, that they predict it will only be a matter of six weeks before my heart muscles and nerves are sufficiently strong to stand a great deal more than they can at present, either of pleasurable or unpleasant excitement.

The heart itself being perfectly sound as well as all of my other organs, they think my recovery to health is certain, but that it is important for me for the next few weeks, to live the extremely quiet life I am doing. . . . Mr. Christianson is one of my dearest friends, and his wife, Dr. and Mrs. Oster, are kindness itself, and have also been friends of years standing, so we make a happy and contented little family. This to me is a very great comfort and I am under no restraint or effort whatever. We are all very comfortable and happily situated on this beautiful lake, exhilarating climate, and comfortable hotel.

There follows a lapse of almost six months in his letters to Vanderlip, though the latter continued his customary weekly letters to Stillman.

During that spring and summer of 1915, the

sick man's body was wracked with pain. Heart attack followed heart attack. For weeks he lay in bed with arms, legs and feet so swollen he was unable to move. The nights were horrible. Only hypodermic injections of camphor and morphine permitted him to obtain snatches of sleep. Hundreds of such injections were administered. His limbs were so covered with sores that it was difficult to find a spot to insert the needle.

Yet James Stillman clung to life with iron determination. In July the morphine was omitted; the camphor in August. During that period, one wonders whether Stillman came to realize the necessity of drugs in cases of extreme physical suffering such, say, as childbirth. One wonders, too, if he thought of Sarah Rumrill, the mother of his five children. The banished wife, also, had found harborage in Paris. Her tiny apartment in the Rue Galileo was but a few minutes' walk from his mansion. But neither ever traversed the distance. Several times Mrs. Stillman's companion, Josephine Tucker, strolled across the Parc Monceau and looked with interest upon the imposing house.

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The principal surcease of these years for the lonely woman in the Rue Galileo apartment was her music. In the strains of Chopin she learned to make her sorrow comfort her. In the martial chords of Wagner she found courage.

From time to time Miss Tucker would read to her from the Paris journals:

"Red Ribbon for Mr. Stillman—Financier Now on Ocean Has Been Made Chevalier of the Legion of Honor"—"Standard Oil Gets a Footing at Court—King George Receives William Rockefeller and James Stillman at St. James."—

For months Stillman concealed his physical condition from his business associates in New York. By the end of October, 1915, he was stronger and toyed with the idea of returning to New York and again taking active part in The Game which, under the stimulus of war profits and the imagination of Vanderlip, was growing more fascinating and lucrative than it ever had been. That year the National City purchased the great International Banking Corporation, with its branches throughout the Far East.

In a letter from Paris, October 26, 1915, Still-

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man refers to the new acquisition and gives his opinion of a debenture company Vanderlip proposed to launch:

The opportunities for investing by such a company as you outline, after it had secured an able management, would doubtless be many and profitable. I have my doubts about its collateral debentures finding as ready a market as you seem to think they would, but concerning this your judgment is much better than mine.

The feature of founder shares I do not believe in. I think they have always proved a mistake and injured the corporation that had them. I doubt extremely the advisability of offering the stock of such a company for subscription for the shareholders of the bank, and do not believe any considerable amount will be taken by them, nor do I think it would create confidence to have such a company too closely affiliated with the bank as it will be more or less speculative, nor do I see how the officers of the bank and such a company can be identical without creating criticism and possibly being illegal.

These views you will probably consider more or less old-fashioned and not up to date, but then you must remember that I am rather old

myself, and not being well or at home, will be obliged to rely upon your judgment and Sterling's, in regard to such matters.

The purchase of the International Banking Corporation strikes me as wise but I should think that it should be for the account of the City Company and worked entirely in connection with the foreign exchange department.

I cannot see the slightest necessity for an increase of the capital of the bank, as it has all the capital and surplus that it can possibly require. We could, however, begin now to pay larger cash dividends and work up gradually to as high as twenty per cent without in my judgment exciting any adverse comments. I think both the First National and Hanover banks pay about such dividends. Nor do I believe that with the present large capital and the number of shares that are held by trustees, it would be feasible to get the consent to have a certain amount of stock not go to the stockholders of any increase of capital.

It is the regret of my life that I am not able to be with you at this time, but the physicians all agree that I am in the condition of a convalescent pianist, who would get great pleasure and excitement from playing upon his piano, and

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while he would do it with ease, it being second nature to him, still it would be most injurious to his recovery until he was in a stronger physical condition.

Still, in spite of all these warnings, I think I would return if it were not that I have always abided by Sterling's deliberate judgment, and I fear it would hurt his feelings if I should not do so now. . . .

I continually think of being in the library at Beechwood, sitting on the lounge before a roaring fire and talking over with you the events of the day and what is wise for the future, and may break loose from my enforced absence and run the risk of shortening my life by returning there, for at least the time would pass pleasanter than being so lonesome over here.

The debenture company and foreign investments are again the subject of another letter, written November 10, 1915, from Paris:

Judging from the allusion in your letter to the proposed Debenture Company, I wonder if your enthusiasm is not cooling a little. I should say the problem is almost entirely one of management and while I have no doubt that at the

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present time such a Company would be profitable, I have my apprehension in regard to the future when it is up against the competition which will be inevitable. . . .

The opportunities and field for foreign investments is going to be enormous for those who care to go into such undertakings. There will probably be many similar companies formed in the United States, and some of them will very likely be unsuccessful when they are up against the terrific competition which the future has in store, especially in regard to efficient and economical management. All of these put together would be small in comparison to what Europe has done in the direction of foreign investments as I understand England alone has invested one billion five hundred million dollars in Argentina.

The little *réclame* which one would get from starting such a company, is very shortlived, and then come the tedious years of responsibility of management.

As you state in your letter, the present is doubtless the time to be doing things, and I was glad to have you write me that you find it very hard to reconcile yourself to my not being at home and in the game. If you find it hard to

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reconcile yourself to this, how much more difficult and more trying it is for me and you must in spite of my absence consider me in the game.

What I have written above is trying to bring to your mind some points which may not have been considered as strongly as they should have been.

I do not want to assume the attitude of a "do nothing" at the present time, for I have every confidence in your ability, especially when you have thrashed out matters carefully with Sterling and as you know, I have great confidence in Rich and Kiernan and in James A.'s sense of what is right between man and man, so that whatever you all decide upon after careful deliberation, you can rely upon my most hearty cooperation and support.

You know I have gone on the theory of letting good things take care of themselves and not saying much about them. In this way I have probably at times seemed to lack appreciation. I have always felt that those who were close to me understood this trait of mine, but now that I am so much older and looking from afar at what you have and are doing, I want you to know that I am probably more fully alive to and appreciate it all, than anyone else living.

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Another letter, a fortnight later describes the loss of a valued vice-president:

My dear Vanderlip:

With all that I have gone through and what is happening over here, nothing very much shocks me now-a-days, but I was greatly grieved to learn from your cablegram of Eldridge's sudden death. I had formed a very high opinion of him from my acquaintanceship with him, and believed he would prove to be one of your ablest and most loyal associates. He died in the service of the Bank, and of course you will see that a proper recognition of it is made to his family.

To those who are deeply and sentimentally attached to the Bank, what a terrible influence it exerts upon them. Mr. Taylor, Pyne and Whitson's lives were all shortened by it. Then came Talbot and now Eldridge, and I attribute my illness largely to the anxiety regarding it during your illness of a year ago.

These are the reasons why I keep urging you not to take too much upon your shoulders, and in every way possible to preserve your health. Without it nothing is very much worth while, and I do hope you will heed my warnings.

With kindest regard to Mrs. Vanderlip and

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best wishes for her and the new arrival, believe
me,

Yours affectionately,

Jas. Stillman.

Stillman's customary signature on letters to business associates was "yours faithfully". Even with Harriman and William Rockefeller he never went beyond "yours sincerely".

The earlier letters to Vanderlip were signed "yours faithfully". After his illness, however, he became to Vanderlip "yours affectionately". And, mixed with discussions of business matters, one detects the increasingly lonely note of philosophical resignation. The following is dated Paris, December 2, 1915. Extracts follow:

You have no conception how sensitive I am to the sympathy and kindness of the few people like yourself that I am so deeply attached to and are such a large part of my life. It does me more good than all the medicine, doctors, rest and climate and everything else put together to have and know of their sympathy. Neither you nor anyone at home and very few here know how desperately ill I have been. . . . It has only been during the last two months that I could walk

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for more than fifteen or twenty minutes, although every afternoon since the first of June I was able to take a motor ride. . . .

Your letters and Sterling's produce a very great effect upon my mental condition owing doubtless to my being so weak after all that I have gone through with, in my illness and the intense sympathy that I have for the horrible suffering of every kind on this side, which I am doing what I can in helping to relieve some of it.

For the reason that I am spending so much money, and particularly for the sentimental effect of feeling that I am not being neglected and forgotten, I appreciate being considered in the business matters which you are conducting.

When I think of my past predictions respecting you and the Bank, the accuracy with which they are being fulfilled seems almost uncanny. It is, however, with the greatest pride and affection that I see their fulfillment, but with my apprehensive disposition, I sometimes tremble for fear a grave mistake may be made. For this reason I have pointed out to you in my letters certain observations regarding the New Company and the Bank, but above everything else the conserving of your health in every way possible.

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I have never entertained the slightest doubt but that the new Company would be profitable, and will be greatly disappointed if I do not receive a liberal allotment of the preferred stock, not only owing to the large interest which I propose taking in the Company, but from the fact I know I can be of service to it here and also when at home where I expect to spend much more time in the future than I have during the past few years, and especially as showing the consideration on your part which I expect from our friendship for each other.

It [the American International Corporation] is a brilliant conception on your part and will be a brilliant achievement and not only in this but in whatever you undertake I want to be interested in and cooperate with you. . . .

With my disposition, I will probably always be worrying about something, possibly I would not be happy otherwise, and what is on my mind as I write is that I beg that with increasing wealth, you will not become hard and mercenary, as so many have, and only value it as it should be, but above everything else to keep your health and kindly feeling to your fellow man.

Vanderlip, Rich and the other gentlemen at

55 Wall Street were no more interested in their health than Stillman formerly had been. However, they entertained the kindest of feelings for their fellow men, and in this spirit, with, of course, an eye to a bit of profit, they were going hot and heavy after South American business. Stillman cautioned them against too exuberant, rah-rah methods:

For what it may be worth, I will repeat what a friend of mine told me yesterday, what an old acquaintance of his said after returning from South America, where he has successfully transacted business for many years. . . . He stated that as an American he was mortified at the amateurish and publication methods an American bank, which had recently opened branches in South America, were being pursued.

In trying to get at something definite the principal criticism seemed to be that it was attempting to do business without extending credit and ignorance of South American methods. The impression left upon me was that it was very wise credits were not being extended at present. Everyone has got it in for us though when they get a chance, and we need the services of an experienced and successful

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international banker to manage foreign branches, and who knows the system required and has the ability to form one. I suppose that that of some of the large English international banks must be good.

However, the cautious warnings of the stricken chairman of the National City board were of no avail against the sweep of unnatural conditions. Billions of war profits, largely paper it is true, but, nevertheless, employable in credit operations, poured into America from Europe. This capital was available for investment in parts of the world untouched by the war.

Stillman wished Vanderlip to direct the stupendous details of the bank's vast new business. The latter demurred. An attack of typhoid fever the previous year had sapped his strength. Now he found the burden of his position almost insupportable. There were constant clashes with William Rockefeller, the bank's most influential stockholder next to Stillman. Brother William demanded, as a primal right, participation in every promotion of the bank or its subsidiaries and always insisted upon a larger share

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of the spoils than that allotted to him. Brother William not only played with a stacked deck but he liked to mark the cards. "I did not approve of much that my associates did," cautiously remarks Vanderlip, today, older, wiser and his health permanently shattered by his years in Wall Street.

By 1916 Vanderlip had amassed all the money he could possibly use and he wished to retire.

In a letter from Cannes, February 3, 1916, Stillman told his protégé politely but firmly to be a good boy and stick on the job. Quite casually Stillman tells Vanderlip that the doctors have informed him that his heart ailment is incurable.

The reference to George F. Baker concerns a testimonial dinner tendered to the dean of Wall Street by the Union League Club. The eulogies and the fan-faronade touched the taciturn Baker. "It has been a wonderful evening," he told Vanderlip, "If I could only go home now and tell my wife all about it." Mrs. Baker had died recently.

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The February 3, 1916, letter from Stillman to Vanderlip follows in part:

It was not a surprise to me that you wished to be relieved of the requirements and details incumbent upon a bank president. How can it be done conscientiously and all interests safeguarded for all concerned? It took me two years to accomplish this in a satisfactory manner. It should not take you long and I don't expect you to be as equally successful in the choice and the necessity does not exist as even with your divided interest I know your loyalty and attachment to the Bank is greater than ever, that with you as with me it is a part of ourselves. Of course, there are many who do not comprehend this of either of us, and neither of us want our motives misunderstood. The Bank has been our mother and we owe it all the allegiance of sons. You have inaugurated such developments that your responsibility is very great until they prove sound and are being successfully managed. So it makes but little difference what your title is. What you propose seems to be on the right lines of strengthening the organization, and I have great confidence in your judgment, but as you write—who to have for the presidency—is not clear and a most difficult proposition. A mistake in

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selection would be a very serious one, it's bad enough when such occurs in that of a vice-president. Eldridge would have probably grown to fill the position which requires an able banker who loves his work, as the best person to conduct the detail management. The abler the man, naturally the better and easier for you, but with your supervision this is not as important as it otherwise would be. I will not go into the merits of the "good men and true" mentioned in your letter for fear of being possibly misunderstood, until we can talk the matter over.

Several times I have started to write a reply to your letter, but each time have become conscious I could not cover the ground by correspondence, and have so come to the conclusion that the matter will have to be held in abeyance until we meet and are able to discuss the question fully. This and all other matters I am convinced we should discuss and settle measured by the yardstick of friendship, which I am sure is the wisest and safest way in the long run to prevent mistakes and misunderstandings, not only in business but all other affairs. Those who have real friends are the richest—they are the most valuable of all earthly possessions, and "whatsoever a man soweth, that shall he also reap" is as cer-

tain as the law of gravitation. So whatever we do, let us keep our friends and do all we can to add to their number.

There is so much of interest in your letters I should like to reply to but cannot for lack of strength, and am so longing all the more for an opportunity of talking with you. The building in London at present does not strike me favorably. With the curtailment of business there it will not be difficult to get sufficient office space, and especially should we start *modestly*. It's more important in London than anywhere else, and particularly so now, as there is great sensitiveness in regard to foreign trade and American aggressiveness. On this subject, I think I am better posted than Dunning.

Your letters are intensely interesting, and in spite of their being a tax on my strength, I shall look forward to receiving them. Only please bear in mind that I am very weak and very sensitive, and am leaving no effort undone to regain my strength.

If George Baker's remark struck you as pathetic, try to realize what you and Sterling are to me, and that you and he have more to do with my retaining life than anything else. I had hoped I would ultimately regain my health, but

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at a consultation with two prominent physicians in Paris was told I would not and that I should take great care not to get fatigued in either mind or body, and especially should avoid mental worry or strain of any kind. . . . I trust no rumors of your proposed change will be circulated until you and I have settled upon your successor. It would be unfortunate and make the matter more difficult to handle.

That summer, James Stillman managed to slip back to America. He met some of the new men, hustlers all, who had been inducted into his organization. Among them was a young man named Charles Edwin Mitchell, new vice-president of the National City Company.

"Charlie" Mitchell was a chap of tremendous mental and physical energy, magnetic and utterly ruthless. He entranced soberer and softer men in golf and luncheon clubs. He scorned the technical aspect of banking but could talk a rhinoceros in the zoo into buying the bonds he peddled. Percy Rockefeller and Jamie Stillman, the soft sons of the principal owners of the National City Bank, were quite overwhelmed by

Mitchell's force, and he relieved them of many a distasteful task. Brother William, Vanderlip, and even James Stillman were irresistibly drawn toward this square-jawed, broad-shouldered dynamo.

In August, 1916, Mitchell was made president of the National City Company, just two months before his thirty-ninth birthday.

Jamie Stillman, in particular, applauded the choice. He and his young wife, Fifi, were rapidly drifting apart. Jamie secretly had acquired an adoring mistress, a mistress who flattered him, something he had never known before. This luxury naturally required a great deal of his attention and time; Fifi, in turn, seethed in revolt against the whole City Bank-Stillman-Rockefeller machine and spent as much time as she dared wandering in the Canadian woods.

James Stillman centered his waning energies in himself and his Bank. He saw and suspected nothing. It would seem that his psychic sense was playing truant, too.

CHAPTER TWELVE

WRECKAGE

THE FIVE YEARS THAT FOLLOW 1916 ARE fantastic.

Unmercifully they rip asunder that conservative, conventional and repressed webbing that has clothed the Stillmans, exposing grotesque figures in a human drama of romance and tragedy.

While the clouds gathered, James Stillman remained in his Paris mansion, fighting his incurable ailment, attended by strangers. In the vast, dim library of 19 Rue Rembrandt was a great crystal ball into which the half-closed, drooping eyes of the sick man gazed often—and saw nothing.

His slender strength was expended upon the affairs of his bank and the cause of the Allies.

When the United States entered the World War, Stillman's satisfaction was great. During the years of neutrality he had been outspoken in

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his private denunciations of Woodrow Wilson. "I am glad," he remarked, "to be among those pressing for war, those Americans Mr. Wilson says are 'on the lunatic fringe'."

In the rush of war activities, Vanderlip cabled his mentor that he had been offered the appointment of Director of War Savings for the United States and asked permission to obtain a leave of absence from the bank. Stillman, patriotically, cabled back his consent. Though Vanderlip, of course, would continue to retain his presidency of the National City Bank, it meant that he, Stillman, hampered as he was by illness, must again take over the personal management of his temple.

Neither, banker fashion, would admit it, but this was the beginning of a certain coolness between Stillman and Vanderlip. The former's letters to his erst-protégé, from this point on, tighten into mere formalities and again lapse into the "yours faithfully" signature.

Anna Robeson Burr, in her *Portrait of a Banker*, thus depicts Stillman's return to his holy of holies: "They welcomed him at the bank as

men do who have lacked too long a leader and a respected discipline. They enshrined him reverently in an upper room, and millions (in bonds and bullion and gilt-edged collateral) turned over in their beds in the vaults and slept more soundly because he was there." When the writer of these lines pictures money sleeping, she is either a novelist or an humorist. Mrs. Burr, let it be stated, writes most engaging novels.

Each day, during the fall and winter of 1917, Stillman motored to 55 Wall Street, where he remained for several hours in lonely grandeur. But he felt himself growing older and older.

Young fellows would swagger in, without awe, and invite his participation in, say, a ten-million-dollar project to reclaim rubber salvaged from trucks, tanks, planes, ambulances and other automotive vehicles used in the war. Stillman's glare and contemptuous refusal, formerly so devastating, now caused not the slightest ripple. With cocky smiles, the young men would waltz around to the new rising, up-and-at-'em banks and investment houses, get their loans and make good their pledges.

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The new situation puzzled Stillman and he did not know how to adjust himself. He was losing his grip and realized it. He missed Vanderlip's human touch, horribly.

Indeed, James Stillman was no more responsive to the Wall Street of 1917-18 than was Herbert Hoover to the United States of 1932-33. He was completely submerged in the surge of war activities. The Wilson administration spurned his timid proffers of assistance. Nor could he drop down to The Corner or continue on to the First National Bank, seeking solution of the new enigma. The elder J. P. Morgan was dead. George F. Baker's legs bothered him to such an extent that he was confined to his Tuxedo estate.

Stillman was the last of Wall Street's Big Three.

Meanwhile, the bank's activities (and profits) multiplied. Stillman appointed a rotating board of six general managers, of whom his son was one, to function during Vanderlip's leave of absence. Vanderlip, serving the government, witched from the public no less than a billion dollars in war savings stamps in less than a year. Today, incidentally, he believes the same principle could

be applied beneficially to government-supervised lotteries.

The six general managers ran the bank.

With characteristic punctilio, the ailing Stillman continued his daily visits to 55 Wall Street. One day he overheard a clerk refer to him as "a funny-looking old dodo". And the clerk remained on the payroll!

Early in March, 1918, there came two additional heart-spasms and a bitter attack of wracking pain. Then, and then only, did he consent to remain propped among pillows in his suite at home.

Now, on his death bed, a strange metamorphosis came over James Stillman. The Silent Man of Wall Street became as garrulous as a town gossip over her teacups. During the last days he talked continuously. So constant was his flood of talk that the family had to take turns at the bedside, and only through adroit use of opiates was the invalid lulled into fleeting moments of sleep and silence. He talked about events in his life, the people he had met, the philosophy he had formed. "I always thought more of my children than of

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the bank. I wonder if they understand that?" he moaned with brimming eyes. "I ought to have praised more. I ought to have been kinder!" And over and over again he insisted it was not money, but power, for which he and the other Wall Street bosses had played The Game.

During those last days, his family gathered about him, dutifully, and a little fearful. They faced not the old sarcastic, severe, autocratic father but a sallow, sunken-cheeked little man who smoked tiny, thin cigarettes and was pathetically grateful for each small attention.

Elizabeth Goodrich Stillman, mother of the doomed man, still splendidly preserved, came in and out of the sick room, as did James Stillman's children. One evening the dying man beckoned his oldest son, James A., to his bedside.

"Jamie," he said slowly, his dark eyes burning into those of the son he had once wished to be his successor, "never, never accept the presidency of the bank. Don't let them make you take it."

As the end drew near, Mrs. Hunt, the housekeeper, dutifully admitted Stillman's grandchildren, now nine in number. For each he had a

cheery word. But for Fifi Stillman, wife of Jamie and mother of three, there was no message, no farewell. The two faced each other but once, perfunctorily.

James Stillman died, quietly, in a coma, on March 15, 1918.

He passed away in the arms of his favorite daughter, Isabel (Mrs. Percy Rockefeller), who was instructed to burn his papers. She did. His dressing closets were found not only packed with the finest of women's apparel, in rare shades and textures, but each pocket and hiding place was literally crammed with large sums of money.

The funeral was a dignified, formal affair. The setting was St. Bartholomew's Church, on Park Avenue, not the rotunda of the National City Bank, as Stillman had desired. The family negatived *that* suggestion most positively. The newspapers announced that Stillman's widow was in the family pew—a slight error, as Sarah Rumrill Stillman was still in Paris. With Stillman's death, however, her exile ended, and she soon returned to the United States, taking a small town house in East Thirty-fifth Street, and an even smaller sum-

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mer cottage at Cornwall. She saw her children quite frequently but never discussed the past, even with her most intimate girlhood friends. All were remembered, however, in her will, disposing of an estate of \$500,000 and executed by her two years before her death, which occurred in November, 1925.

Stillman left an estate of \$45,000,000, most of it in trust for his three sons and their children. Before his death, however, he had distributed huge sums to his daughters and others. His total intake from The Game was not far short of \$200,000,000.

A few months later, in the summer of 1918, John W. Sterling followed his friend. Lord John, who had so feared water, yet hooked the largest salmon ever landed at the Mountstephen fishing preserves, cleaned up the day's correspondence as usual, stretched himself upon a couch and did not awaken.

Thereafter events moved with machine-gun rapidity.

Orphaned of Stillman and Sterling, his champions and advisers, Frank Vanderlip gave up his

dollar-a-year government post and returned to the presidency of the bank—"the toughest executive load to be found in the United States," he later termed it—while James A. Stillman was made chairman of the board.

Jamie had the backing of William Rockefeller. The Stillman-William Rockefeller interests controlled voting power through stock ownership. Brother William and Vanderlip had never been able to get on, either in business or social relationships. Vanderlip thought Brother William too greedy; Brother William referred contemptuously to Vanderlip as an Uplifter. Collision was inevitable, particularly at the close of the war when America had most of the world's gold and the Masters of Capital sniffed billions of profits where merely meagre hundreds of millions hitherto had bloomed.

So the knowing financial writers, who knew and liked "Mr. V", as they called him, began to speculate when Vanderlip's head would fall into the basket.

In mid-May, 1919, Vanderlip returned from a three-months' economic survey of Europe.

Shaken by indications everywhere of approaching industrial and political upheaval in post-war Europe, he sat in his cabin on the *Olympic* and, in the five days required for the great ship to plow her way from Southampton to Halifax, dictated a book: *What Happened to Europe*. The book drew a gloomy picture of conditions and advocated a huge rehabilitation loan on moderate interest terms, of which loan America, of course, would necessarily be called upon to supply the larger share.

While the book was in press, Vanderlip repeated his plea that American capital be sent to Europe quickly, and on easy terms, in a speech before the Economic Club at the Hotel Astor, New York.

At the next meeting of the National City Bank directors, he was called before the board. Chairman Jamie Stillman, ruddy and sun-tanned from his customary Friday-to-Tuesday weekends on the water or golf links, presided, while William Rockefeller, his son Percy and other distinguished and wealthy gentlemen sat in the soft-cushioned chairs about the longest board-room table in the world.

"Gentlemen," exclaimed Vanderlip, in effect, "European nations might be compared to a group of houses in all of which is inflammable material. Fire in any one would endanger all. A failure to re-start industry in any European nation, resulting in continued idleness, want and hardship, is certain to lead to social upheavals that will be communicated to other nations. Europe, and this includes the Central Powers, presents a situation in which the determining factor in regard to rehabilitation loans should be necessity rather than security; for, unless those nations in which the necessity is the greatest are cared for as well as those in which the security might be thought to be the best, there may come a breakdown in European civilization which will involve the whole world. The conditions are so extraordinary that extraordinary means of coping with them should not be rejected because of their novelty. Let us help and help at once!"

There were murmurs and gasps of surprise about the great polished table when the gentlemen realized that their president was proposing a departure from the very keystone rule of bank-

ing: no loan without adequate and ample security.

William Rockefeller was first to find voice.

"Mr. Vanderlip," grunted Brother William, "we are running a bank, not a charitable organization. The Board will discuss this matter in private."

That afternoon, June 3, 1919, two laconic statements were given out at the National City Bank. First: "At a meeting of the board of directors today, F. A. Vanderlip resigned as president of the bank and James A. Stillman resigned as chairman of the board of directors." Later: "James A. Stillman was elected president of the bank."

Newspaper men, who rushed to his office, found Vanderlip smiling and happy. "I think we are coming to a time when there will be a lot of things to do," he told them. "I may be able to help a little. As soon as I can I am going to take a vacation for an indefinite period, which is the finest sort of vacation. I will probably go out West and take a trip into the mountains with some of my children and get acquainted with

them once more. Oh, no, there was no discord. I resigned of my own volition."

Thus ended Vanderlip's ten-year reign, during which he had accumulated a very considerable fortune but strained his body beyond repair.

The newspapers reported that James A. Stillman, the new president, left the bank early and by a side door. "In his reticence," wrote *The Sun* man, "Mr. Stillman evidently agrees with his father's well-known aversion to publicity."

That year, 1919, the bank boasted: "For the first time in the history of the Western Hemisphere, a bank has shown resources exceeding one billion dollars."

The bank's growth was due partly to the war, partly to the remarkable salesmanship of Charles E. Mitchell, president of the National City Company. Mitchell swung into action at the close of the war, with the avowed intention of putting a City Company bond or stock into every American home. He was after the small investor, who had learned during the war that Liberty bonds crinkled as invitingly as crisp bills, and, besides, drew interest. Mitchell built up an organization

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of salesmen through the contagion of his own matchless energy, held them on leash like a bunch of college runners waiting for the gun, then released them upon the masses. Mitchell trained his salesmen on the principle of the crafty, adroit house-to-house canvasser who gives away a free rubber doll to Mrs. Brown's lovely little baby in order to sell Mrs. Brown a set of hair brushes or a washtub. The only difference between the two schools is that the brushes and washtubs are worth at least a part of what Mrs. Brown paid for them. Eventually, Mitchell's men were to make as many as 30,000 sales of "securities" a day, with a yearly intake of \$2,000,000,000. But we run ahead.

Mitchell was as full of schemes as a clock is of ticks, and each scheme promised easy money for National City Bank stockholders. Further, the man was a physical marvel. He seemed to live without sleep yet never tired. Virility, in sparks, leaped from him. He simply dazzled Jamie Stillman. On a yachting trip in Southern waters Mitchell mastered in a few hours seamanship Jamie had been studying all his life.

On such trips Jamie was never accompanied

by his wife, for he and the temperamental Fifi, though maintaining the necessary outward appearances, had not lived together as man and wife for some time. Fifi had become enamored of the wild, semi-barbaric life of the Canadian woods, while Jamie found his pleasure in the person of a red-haired little Irish-American girl, Florence Lawlor. When Stillman met her first, late in 1915, Florence Lawlor was twinkling in the Chicken Chorus of a revue at the Century Theatre. Her stage name was Flo Leeds.

Little more than a child, Flo was thrilled by Jamie's gifts and attentions. These overcame the good, decent upbringing her father, Jerry Lawlor, a plumber, and her mother had given her—and she went to live with James A. Stillman as his mistress. As "Mr. and Mrs. Franklin Leeds" or "Mr. and Mrs. Lincoln", the couple maintained establishments in New York and elsewhere, remaining longest in a five-room apartment at 64 East Eighty-sixth Street. The writer dubbed this a "Love Nest", which has since become a stock newspaper phrase. Flo and Jamie were in the East Eighty-sixth Street "Love Nest" when the senior

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James Stillman died fourteen short blocks away. Within six months Flo expected to become the mother of a second child by Jamie. Their first infant had died still born.

In September, 1918, Flo Leeds gave birth to a fine, curly-haired boy whom she and Jamie and a fine old priest from nearby St. Ignatius Loyola Church christened Jay Ward Leeds.

Daily, while his child grew into a chubby infant, Jamie Stillman, alias Mr. Franklin Leeds, proud as a peacock, wended his way to the Eighty-sixth Street hideaway. Laden with flowers, bon-bons, toys, and a surprise jewel or so for Flo, he gaily entered the rooms already overflowing with tokens of his happiness. Never was a father more pleased than the ruddy, beaming president of the National City Bank. At the cocktail hour, while other men hastened to their clubs or favorite bars, Jamie Stillman would wind up the little baby victrola he had bought to amuse his son and play his favorite record, *The Tin Gee Gee*. This rhyme, as many will recall, relates the sad toy-shop tale of the lovely dolly who turned down a Colonel in a little cocked hat, who rode

on a tin Gee Gee, because he was marked only thirty-nine cents while his rival was sixty-three.

While James A. thus found consolation, his brilliant brunette wife, Fifi, gloried in the wild, free life of her camp on the St. Maurice River, far in the Canadian forests. A woman of rare charm and daring—athletic, musical—she fascinated and was fascinated by the wily, tough French-Indian-Canucks who fished and trapped, fought and loved in the valley of the St. Maurice. She learned to tramp twenty miles on snow-shoes, to forage for food and shelter, to run the rapids of Shawanegan, and to cuss in the crude patois of the natives when she didn't get value received for her money. Often in summer she would set out, with a single guide, for a week's fishing, camping and loafing.

After a little, her favorite guide on these adventurous journeys was a dare-devil young mixed-breed, Indian predominating, called Fred Beauvais, fifteen years Fifi Stillman's junior.

Place Beauvais in a city or even a sizeable town and he would appear merely a sullen, nondescript half-breed. But in his own natural setting he was

magnificent. I have seen him in dead of winter, thirty below zero, snow thickening, wearing a thin slip-over sweater, out ahead of a sleigh and team of partly blinded horses breaking trail and blithely singing tribal songs—defying the storm and encouraging the horses to battle through. And again at night, safe beside a fire, with shelter and food assured, I have seen him open a bottle of brandy by slapping the bare palm of his hand against the bottom.

Quite a man was Fred Beauvais when Fifi Stillman came questing into his country.

Toward the end of 1916, Fifi brought Beauvais to New York to teach her children woodcraft. His quarters were with the other servants on the Stillman estate at Pleasantville, N. Y. Jamie and the children met and liked him.

Things ran along thus for three years, Mrs. Stillman passing more and more time in the northern woods, Stillman remaining in New York for the most part.

In November, 1918, barely two months after the arrival of Jay Ward Leeds, Fifi gave birth to

a chubby, nine-pound baby, whom she and her husband called Guy.

If either of them hoped the newcomer would smooth out their differences, both were doomed to disappointment. In the spring of 1920, Fifi decided the situation had become intolerable and consulted a lawyer, George W. Wickersham, relative to a divorce.

James A. Stillman recently related to the writer his version of subsequent events. We sat alone in his den at his home, 900 Park Avenue, New York. The room was filled with ship models, nautical books and trophies of his fishing and early hunting expeditions.

"Mr. Wickersham sent for me," he explained, "and told me Anne had retained him to bring divorce proceedings. Though we were not at the time living together, the news surprised and shocked me. I asked Mr. Wickersham for advice. He said: 'You'd better get a lawyer.' I told him I knew of no lawyers who handled such matters. All my legal acquaintances were corporation lawyers. 'Well,' he said, 'go to Cornelius J. Sullivan, of De Lancey Nicoll's firm.' So I did.

"I told Sullivan that if Anne really wanted a divorce she, of course, could have it. I told him also about certain nasty rumors that had come to me regarding her friendship with Beauvais and the parentage of Baby Guy. Mr. Sullivan was a mediaeval Jesuit, if ever there was one. He insisted upon hiring detectives and investigating the rumors. What developed convinced me that Guy was not my son. But I wanted the matter settled without a scandal. However, Mr. Sullivan practically demanded that I bring the divorce action. He said the papers would be filed secretly, there would be no publicity and that my wife, rather than face a scandal, would consent to a settlement.

"So, against my better judgment, against all the instincts of my nature, I signed the papers accusing Anne of illicit relationship with Beauvais and disowning Guy. What happened after that I guess everybody knows. I went through a lot of hell, I can tell you. But there was nothing to do but stand up and take it.

"I have always thought, and I still think, Anne Stillman to be the finest woman in the world. We

are still friendly, even though we are now divorced and she has remarried. Why, without her, young Fowler McCormick, her present husband, would have been an aimless young dilettante. She put him to work with the Harvester Company in Chicago and he is doing splendidly.”

When Fifi Stillman realized that she was to be sued and, no matter what the outcome, her baby stigmatized forever, she collapsed. Her one thought was flight.

A long-time friend, Harold F. McCormick, father of her present husband, advised her to seek refuge in the psychological clinic of Dr. Carl Jung, in Zurich, Switzerland, where Mr. McCormick himself had gone and been helped.

So, while process servers were searching frantically for her, Anne U. Stillman, alone, boarded the steamship *Olympic*. The date was July 8, 1920. As the gong sounded for all ashore, a young man pushed into her stateroom and served her with a summons and complaint in Jamie's divorce action.

For hours Fifi remained in her cabin staring at the cold, formal legal papers containing the nau-

seous charges against her and her youngest born. Thoughts of suicide gripped her. As night fell, she slipped on a sweater and a pair of rubber sneakers and, like a hunted thing, paced the promenade deck, around and around and around.

And as she strode, an old gentleman, with a kindly countenance such as one sees on the Quaker Oats packages, noticed her distress. He halted her, and spoke gently. He was a missionary, returning to service in India.

"That chance meeting saved my life," Mrs. Stillman later confided. "I had to have a confidant or jump overboard. I went on to Zurich. Dr. Jung placed me in charge of his chief associate, Dr. R. F. Baynes, an Englishman gigantic in mind, body and heart. To this day I call him my Sailmaker. He gave me heart and courage and told me to go back and fight. I returned to America with head up and refused to compromise my husband's suit or to confess to something I had not done.

"The suit, you recall, became public in the spring of 1921. "

"At that time, I suspected but had no positive

evidence that James A. had committed the very sins of which he accused me.

"That evidence was furnished to me"—her eyes twinkled—"by a profligate young newspaper man who discovered Flo Leeds and her baby and identified James A. as 'Mr. Leeds'. The newspaper man's editor was bold enough to print the story without clinching documentary proof. That story helped immeasurably to turn the tide in my favor."

However that may be, it was Fifi Stillman's invincible courage and quick intelligence that won the day.

As a news writer and friend, I saw her almost daily during the five years, on and off, the battle raged. She stood up like a champion, always at her best when the going was roughest. The most powerful financial and social factors in the country were arrayed against her. I refer to the Rockefellers as a clan and the group referred to in the Street, awesomely, as the "National City crowd".

In effect, it was Wall Street against a woman. And the woman won!

Jamie and his allies attacked Fifi from every direction, bringing pressure to bear even upon the wife's attorneys. The portly, impressive De Lancey Nicoll, representing Stillman, twirling his ribboned glasses and speaking with the authority of an oracle, asserted in open court that Fifi was a faithless wife and mother who had deserted her husband and children and social position to find solace in the arms of an Indian guide. George W. Wickersham resigned as her attorney in favor of the expensive and powerful firm of Stanchfield & Levy.

This firm was headed by the late John B. Stanchfield. Came a night when Stanchfield sent an assistant to her with an offer from the other side which the eminent lawyer described as "most generous" and advised her to accept. In brief, Fifi Stillman was to admit her guilt, give her husband a quiet divorce, and go to Europe with baby Guy for an indefinite stay. In return she would be guaranteed \$50,000 a year for life.

The accused wife showed the door to Stanchfield's envoy, just as she had to various committees of Wall Street gentlemen who had ap-

proached her with similar feelers. "The bolsheviki of Wall Street," she called them bitterly. That night, by one of many rare flashes of feminine intuition that distinguished her conduct of her case, she hit upon a plan. She would discharge Stanchfield and other expensive lawyers who seemed to her responsive to National City Bank-Rockefeller influences and retain "a couple of country lawyers". She had in mind John W. Brennan, of Yonkers, and John E. Mack, of Poughkeepsie. Both were already in the case in minor capacities, since Jamie's suit was first filed in Carmel, N. Y.

Fifi Stillman was magnificent that night.

Clothed in a silver spangled evening gown that set off her superb figure to perfection, one was instinctively reminded of Joan of Arc. She wrote a note of dismissal to Stanchfield & Levy, stepped into her car and, an hour later, was in John Brennan's homey, high-ceilinged mansion in Yonkers. This delightful gentleman, now dead, agreed to become her chief counsel. Then, on through the night to the Poughkeepsie home of John E. Mack,

guardian ad litem for Baby Guy. The wind blew fresh and sweet. The city was far behind.

Though it was long after midnight, the man she had come to see was awaiting her. "I am your man," the lanky, Lincolnesque Johnny Mack told her as he shifted his quid and thumbed his suspenders. "Wall Street can't buy off John Brennan and yours truly. We'll win."

And win they did, after a long, bitterly contested battle.

Jamie Stillman's malodorous suit was tried, principally in Poughkeepsie, before Daniel Gleason, referee appointed by Supreme Court Justice Joseph Morschauser. Referee Gleason was a faithful son of the Roman Catholic Church. And as one knows, the Church of Rome does not believe in stigmatizing babies. Too, Stillman's evidence was not conclusive. He was denied a divorce and the infant Guy legally confirmed as his son.

Fifi Stillman emerged triumphant, a symbol of militant, modern womanhood.

Jamie, the vanquished, was cut by his "friends", ostracized at his clubs. On May 3, 1921, while the papers were making a Roman

holiday of the case, Jamie was compelled to quit the presidency of his father's Billion Dollar bank. "Charlie" Mitchell was put in his stead.

For three years longer, at tremendous expense, Jamie's lawyers persuaded him to fight on through various appellate courts. Always, he was beaten. Then he gave up efforts to divorce his wife. Still they were legally married and, in 1926, came the startling news of Fifi's and Jamie's reconciliation.

One midnight, in February of that year, under assumed names, in separate staterooms, they sailed for Europe on the *Majestic*, ostensibly to learn under the guidance of Dr. Baynes, Fifi's Sailmaker, how to understand one another better. The cure did not work in Jamie's case. However, Fifi again plunged wholeheartedly into the philosophy of Baynes and Jung. Dr. Baynes told her she would be aided most by her "anamus". The term, in Jung psychology, is the male complement of the female.

The reconciliation was not successful. However, the Stillmans, after their return to America, lived together, outwardly. James A. made no pro-

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test at the inclusion of Guy in trust funds established by the elder Stillman. These total \$16,000,000—\$4,000,000 for each child.

Eventually, Fifi found her real "anamus" in the person of young and talented Fowler McCormick, son of her trusted old friend Harold F. McCormick, and grandson of two famous Americans—John D. Rockefeller and Cyrus H. McCormick.

In the spring of 1931, Fifi and Jamie were quietly divorced. The former at once married Fowler McCormick. Though nineteen years separates them in age, Fifi and Fowler, with Jung and Baynes as fairy-godfathers, are fated, if one may guess, to live together "happily ever after".

So, for the present, ends the story of Fifi.

Jamie, still adoring his former wife, seeks refuge from an unkind and peering world behind the doors of his gloomy old Park Avenue mansion.

Beauvais, the Indian guide, runs a wayside garage and filling station on the road between Malone, N. Y. and Montreal, in the Indian village of Chaughnawaga, one of the settlements of his tribe.

On August 22, 1929, at a London register's office, Flo Leeds married one John Rousseau Metcalfe, who described himself as a "company director"; and is said to be living quietly in France. Stillman settled a trust fund, said to be \$500,000, upon his son by Mrs. Metcalfe.

And the National City Bank?

"Charlie" Mitchell set out to double the First Billion.

He succeeded—he failed.

That story, properly, remains to be told in another volume, perhaps to be called The Second Billion.

